

# **2005 Comprehensive Annual Financial Report for Shelby County (CAFR)**

Shelby County provides a full range of services, including law enforcement, judicial system, jail and correction facilities, health services, community services, fire protection and recreational activities. This CAFR is a comprehensive overview of these financial activities

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The financial reports and statements included on this web page represents the financial position and results of operations as of and for the year ended June 30, 2005.

**Comprehensive  
Annual Financial Report  
Of  
Shelby County, Tennessee  
For The Year Ended  
June 30, 2005**

*Prepared by the Department of Finance*

**Comprehensive Annual Financial Report**  
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**For the Year Ended June 30, 2005**

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**A C Wharton, Jr.**  
*Mayor*

# Shelby County Government

December 1, 2005

To the Members of the Board of County Commissioners and the Citizens of Shelby County, Tennessee:

The comprehensive annual financial report of Shelby County, Tennessee (hereafter, Shelby County) for the year ended June 30, 2005 is hereby submitted as required by both local ordinances and state statutes. These require that Shelby County publish each fiscal year a complete set of financial statements as required by Generally Accepted Accounting Principles (GAAP) and audited by a firm of licensed certified public accountants.

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free from any material misstatement.

Thompson Dunavant PLC, certified public accountants have issued an unqualified opinion on Shelby County's financial statements for the fiscal year ended June 30, 2005. The independent auditors' report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides an analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **Profile of Shelby County, Tennessee**

Shelby County, established in 1819, is the largest county in the State of Tennessee with Memphis as the County seat. The County is located in the extreme southwest corner of Tennessee on the east bank of the Mississippi River and is the hub of the 105 county Mid-South Region. Contained within the County's 783 square miles are seven incorporated municipalities, including Arlington, Bartlett, Collierville, Germantown, Lakeland, Memphis and Millington. The population of the County is 903,186. The County is empowered to levy, without limit, a property tax on both real and personal property located within its boundaries.

Since the implementation of the Restructure Act on January 1, 1976, the County has operated under the Mayor-Commission form of government. The Mayor, as the County's chief executive officer, oversees the operations of the County's six divisions. The thirteen members of the Shelby County Board of Commissioners (the Commission), the legislative branch of the government, review and approve the County's programs and budgets. The Mayor and each

Commissioner serves a four year term. The Sheriff, who oversees law enforcement, County Clerk, Assessor, Register, Trustee, Circuit Court Clerk, Criminal Court Clerk, General Sessions Court Clerk, Juvenile Court Clerk and Probate Court Clerk are also elected to four year terms.

Shelby County provides a full range of services, including law enforcement, judicial system, jail and corrections facilities, health services, community services, fire protection and recreational activities. Shelby County also is financially accountable for a legally separate school district, public hospital, agricultural center and emergency communications district, which are reported separately within the Shelby County financial statements. Additional information on these entities can be found in Note I. A. in the notes to the financial statements.

The annual budget serves as the foundation for Shelby County's financial planning and control. All departments and elected officials submit their requested budget to the County Mayor by early March. After a series of reviews, the County Mayor presents a proposed consolidated budget to the County Commission by April 30. The County Commission holds budget hearings and then adopts a final budget. This process is generally completed by July 1, the start of the fiscal year. However, the County Commission has the authority to adopt a continuing budget until a final budget can be adopted. The appropriated budget is prepared by fund, division (function such as public works), and department (e.g., parks). The Mayor may make transfers of appropriations within personnel or non-personnel categories within a department or between departments within a division. Any other transfers require approval of the County Commission.

### **Local economy**

Shelby County experienced some growth in the local economy this past year as did most of the country. In recent years, the economy of the County has experienced notable success attracting new businesses along with the continued growth of existing businesses. The result has been relatively steady total employment in the County during periods of sluggish growth or decline in the national economy with substantial increases when the national economy improved. This success is due, in large part, to the County's location near the geographic center of the nation and its excellent transportation facilities. Also, the County benefits from serving as the trade center for the surrounding area.

The County is the major wholesale and retail center for western Tennessee, eastern Arkansas and northern Mississippi. The Memphis MSA is considered one of the top 100 suburban markets and ranks forty-third in total effective buying income according to Sales & Marketing management's September 2004 publication. The industrial economy of the County encompasses not one, but many industries. Twenty major industrial groups, as classified by the Bureau of the Budget, are listed in the Directory of Memphis Manufacturers. Major industries include chemicals, electronics, foods and beverages, paper products, hardwood lumber products, pharmaceuticals, soybean and cotton oil derivatives and fertilizers.

The major areas of employment in Shelby County are the services, government, and wholesale and retail trade. Comparatively, both the Southeast Region and the United States overall show a heavier concentration in manufacturing than does the County, but they also display lower employment in transportation and public utilities. According to the Tennessee Department of Labor, the unemployment rate for Shelby County as of September 30, 2005 was 5.7%, as compared to the state's rate of 4.9% and the national rate of 4.8%.

## **Long-term financial planning**

During the past ten years, excluding capital projects, the County's governmental expenditures related to education, law enforcement and debt service have increased as a percent of total expenditures from 54.3% to 67.8%. Education expenditures increased by 8.3% to 37.6% in 2005.

During this same ten-year period, local taxes have increased as a percent of total revenue from 66.2% to 74.9% because the areas of relative increase in expenditures are primarily supported by local taxes. Elected officials fees and fines have only increased by 2.1% and, as a percent of total revenue have decreased from 11.7% to 6.4%. State revenue has also decreased as a percent of total revenue from 11.7% to 7.8%.

In 2003 the Mayor, with the support of the Commission, made it a priority to replenish the General Fund and to avoid unplanned withdrawals from that fund. A goal was established to increase the General Fund unreserved fund balance to approximately 10% of General Fund expenditures over 2 years. This goal was substantially accomplished in one year and exceeded in the second year. The General Fund unreserved fund balance at June 30, 2005 is 12.5% of General Fund expenditures. The County intends to maintain this ratio between 10% and 15%.

In 2004 the Administration, with the support of the Commission engaged Public Financial Management, Inc., a financial advisory firm, to conduct a study to determine whether Shelby County Government is operating efficiently and effectively. The result of this study was the issuance of a five-year strategic financial and management plan. The study found that Shelby County Government is relatively efficient compared to similar governments, but it also pointed to a number of areas where we can improve. All of the recommendations have been addressed, many have been adopted and we are currently working toward implementing additional recommendations.

Closer cooperation has been established between the Administration and the Commission including an open, thorough and timely budgeting process, which focuses on a clear understanding of debt funding, in addition to funding for operations. We have aggressively reduced our capital plan from over \$150 million in 2003 to under \$80 million annually starting in 2008 to stop the growth of debt. However, the City and County School Systems have identified needs well beyond the amounts provided in our capital plan. Through growth management and needs assessment as addressed below, school needs will be more clearly identified and alternative funding sources may be established. Should any increase to the capital plan be necessary, funding must also be provided.

## **Major initiatives**

The Administration has identified a number of priorities designed to shore up the long-term financial position of the County as addressed above in long-term financial planning. We have established the following initiatives that focus on structural changes in areas that are costly to County Government.

- 1. Growth Management** – Shelby County has instituted a Smart Growth plan designed to manage development, particularly in the unincorporated areas. This plan is designed to insure that incentives are created that will encourage inner city redevelopment where infrastructure already is in place. Additionally, the Shelby County Mayor is seeking passage of legislation to ensure that new development pays for itself and is sustainable. These steps are necessary to relieve the increasing dependence on property taxes.

2. **Healthcare Funding** – Shelby County continues to pursue more equitable funding from the State of Tennessee for the Regional Medical Center at Memphis. The State has recently provided some increase in its funding level and we are continuing to pursue additional funding. Additionally, both Mississippi and Arkansas have begun to provide some funding for the services rendered to their residents by the MED. Presently, Shelby County Government contributes approximately \$25 million annually to The Med and pays another \$11 million in debt service for The Med. The funding to The Med is not only for the hospital itself, but for a network of community healthcare centers.
3. **Education Capital Needs** – The County established a Needs Assessment Committee to address the financial burden of the current capital funding mechanism for public schools, including both Memphis City Schools and Shelby County Schools. The Committee will:  
1) Develop uniform standards and costs for school construction; 2) Annually assess capital needs of each school system and create a comprehensive plan for capital projects and funding; 3) Review, as necessary, capital requests of both school systems that fall outside of the comprehensive plan and make recommendations to the County Commission regarding those requests.
4. **Economic Development** – One of the County’s primary attractions for economic development is the combination of its central location in the United States and its excellent transportation facilities, including air, rail and water. Another attractive feature for certain companies is the relatively low cost of living compared with other urban areas, including real estate prices. In conjunction with the City of Memphis, a new “Mayor’s Office of Economic Development” is being formed to increase the emphasis placed on economic growth. This office will work with and coordinate the activities of many regional development groups, in addition to the local Industrial Development Board, Office of Planning and Development, Center City Commission and others.
5. **Real Estate Asset Management** - An effort is underway to incorporate best practices with regard to the management, utilization and disposal of our real estate assets. We have engaged Cushman & Wakefield, who in cooperation with Commercial Advisors, are evaluating procedures and processes regarding our real estate holdings in order to develop a revised business plan for utilization and disposal of these assets. A uniform decision approach will be adopted to evaluate the current inventory of real estate assets held by the county on broad based utilization criteria. These assets can then be assigned on a priority basis to program areas or disposed of at the completion of thorough analysis to determine highest and best use.

#### **Awards and Acknowledgements**

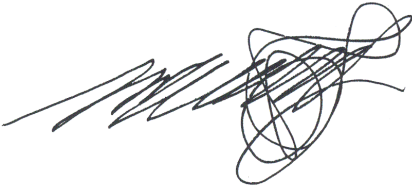
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Shelby County, Tennessee for its comprehensive annual financial report (CAFR) for the year ended June 30, 2004. This was the twentieth consecutive year that Shelby County has received this prestigious award. In order to be awarded the Certificate of Achievement, a government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.



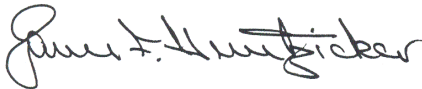
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Due credit also is given to all County Commissioners for their interest and support in planning and conducting the operations of Shelby County in a responsible and progressive manner.

Sincerely,

A handwritten signature in black ink, appearing to read 'A C Wharton, Jr.', with a stylized, circular flourish at the end.

A C Wharton, Jr.  
Mayor

A handwritten signature in black ink, appearing to read 'James F. Huntzicker', written in a cursive style.

James F. Huntzicker, Director  
Division of Administration and Finance

**Shelby County, Tennessee  
County Officials  
As of June 30, 2005**

**Shelby County Board of Commissioners**

**Michael A. Hooks, Chairman  
Tom Moss, Chairman Pro Tempore**

**Joyce Avery  
Walter Lee Bailey, Jr.  
Julian Bolton  
George S. Flinn, Jr.**

**Joe Ford  
Cleo C. Kirk  
David Lillard  
Marilyn Loeffel**

**Deidre Malone  
Bruce Thompson  
John Willingham**

**Roster of Publicly Elected Officials**

**Assessor of Property – Rita C. Clark  
Attorney General – William L. Gibbons  
County Clerk – Jayne Creson  
County Mayor – A C Wharton, Jr.  
County Register – Tom Leatherwood  
County Trustee – Bob Patterson  
Sheriff – Mark H. Luttrell, Jr.**

**Chancery Court Clerk & Master –  
Kenny W. Armstrong  
Circuit Court Clerk – Jimmy Moore  
Criminal Court Clerk – William R. Key  
General Sessions Court Clerk – Chris Turner  
Juvenile Court Clerk – Steve Stamson  
Probate Court Clerk – Chris Thomas**

**Roster of Shelby County Administrative Officials**

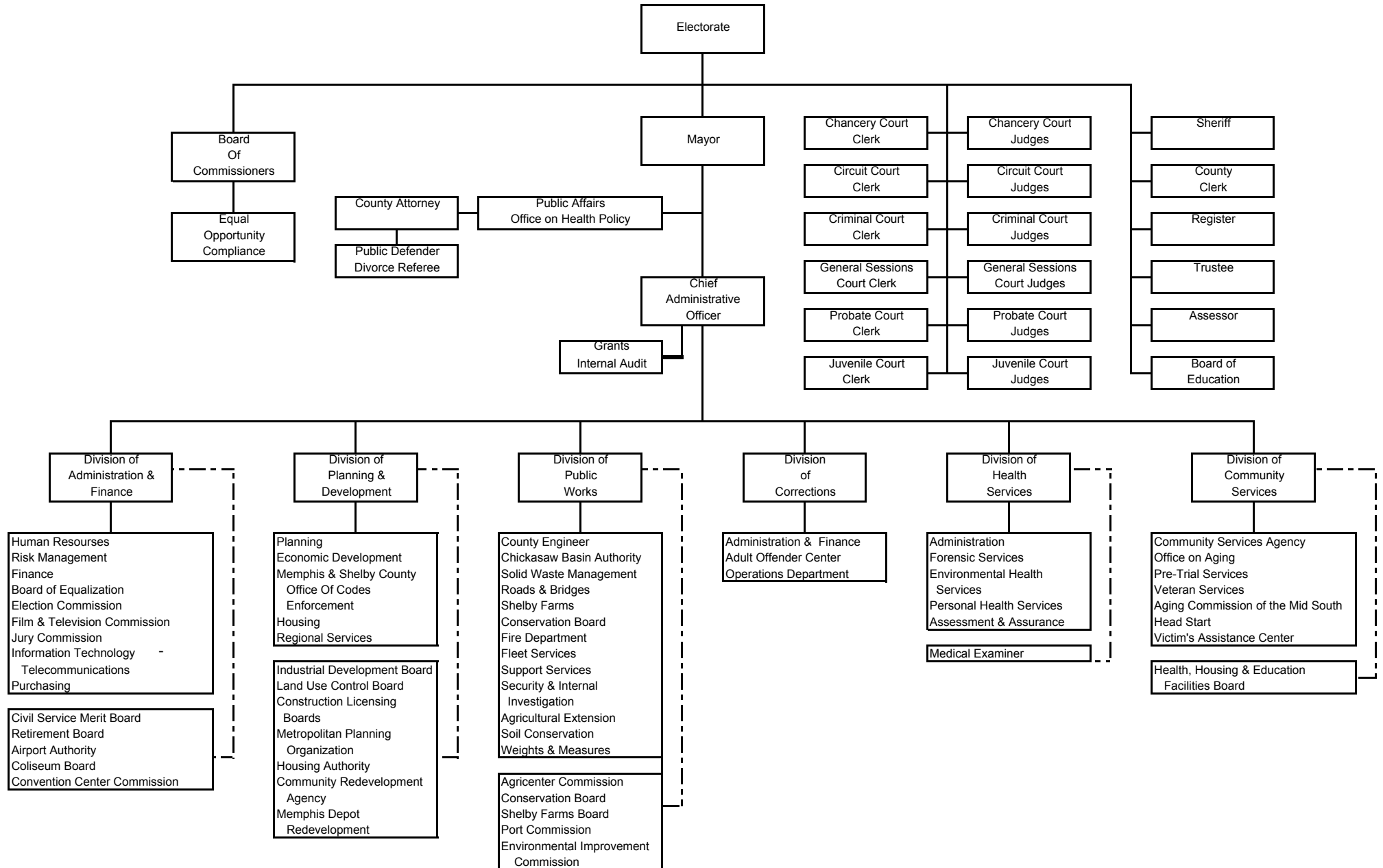
**A C Wharton Jr. - Mayor  
John Fowlkes - Chief Administrative Officer  
Earnest Lee Gunn - Assistant Chief Administrative Officer  
Brian Kuhn - County Attorney  
James Huntzicker - Director of Administration and Finance  
Richard Copeland - Director of Planning and Development  
Theodore C. Fox III - Director of Public Works  
George Little - Director of Corrections  
Yvonne Smith-Madlock - Director of Health Services  
Linda Rendtorff - Director of Community Services**

**Shelby County Board of Education**

**David Pickler, Chairman  
Anne Edmiston  
Ernest Chism  
Joseph Clayton**

**Wyatt Bunker, Vice Chairman  
Virginia Harvell  
Ron Lollar**

# Shelby County Government Organizational Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Shelby County,  
Tennessee

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Ziehl*

President

*Jeffrey R. Emer*

Executive Director

# THOMPSON DUNAVANT PLC

## Independent Auditor's Report

To the Chairman and Members  
Shelby County Board of Commissioners and  
the Mayor of Shelby County, Tennessee  
Memphis, Tennessee

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Shelby County, Tennessee, as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Shelby County, Tennessee's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Shelby County Health Care Corporation, Agricenter International, Inc., and Emergency Communications District of Shelby County, Tennessee which represent \$189,697,366 and \$309,736,488, respectively, of the assets and revenues of the component units, and Shelby County Retirement System, which represents \$843,058,392 of the assets and 100% of the revenues of the fiduciary funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units and Shelby County Retirement System is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Shelby County, Tennessee, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2005 on our consideration of Shelby County, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 11 through 25 and the budgetary comparison information and the Shelby County Retirement System Schedule on pages 91 through 94 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Shelby County, Tennessee's basic financial statements. The accompanying financial information listed as combining and other statements and schedules and other budgetary comparison schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors and, in our opinion, based on our audit and the report of other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Thompson Dunavant PC". The signature is written in a cursive, flowing style.

Memphis, Tennessee  
November 18, 2005

### Management's Discussion and Analysis

The management of Shelby County Government (County) presents this narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with information in the transmittal letter found at the front of this report and the basic financial statements, which follow in this section.

Accounting principles generally accepted in the United States of America for governmental entities are established by the Governmental Accounting Standards Board (GASB). This is the fourth annual financial report issued by Shelby County using the standards established by the GASB's Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Statement No. 34 made significant changes to financial reporting, including new "government-wide" financial statements. Shelby County follows all GASB standards in addition to Statement No. 34 as well as other authoritative literature known collectively within the accounting profession as "generally accepted accounting principles."

### Financial Highlights

- At the end of the current fiscal year, unreserved undesignated fund balance for the general fund was \$37,539,543, or 12.5 percent of total general fund expenditures. This was an increase of \$7,358,304, or a 24.4% increase.
- Fund balance for the debt service fund increased \$19.8 million to \$29,241,588, which is 21.7% of total expenditures of the debt service fund. The balance is well above our target minimum level of \$4 million.
- Total liabilities of Shelby County exceed total assets as of June 30, 2005 by \$1,364,376,086. The largest contributing factor causing this deficit is the fact that the County issues debt on behalf of entities not a part of the County's primary financial reporting unit and the related assets are not recorded by the County. These entities include the school systems of Shelby County and the City of Memphis, joint ventures with the City of Memphis, and others.
- The decrease in net assets of \$21.9 million results primarily from the issuance of debt for school construction of \$77.3 million, offset by the fund balance increases noted above in the general and debt service funds and a \$7.9 million increase in net assets of the internal service funds.

More details on these highlights and other information are in the remainder of this discussion and analysis.

### Overview of the Financial Report

The Comprehensive Annual Financial Report includes three major sections – Introductory Section, Financial Section, and Statistical Section. The Introductory Section includes a transmittal letter and general information about the County. The Statistical Section includes financial and non-financial data, some from sources other than financial records and often

covering up to ten years. The Financial Section is the major part of the financial report. The Independent Auditor's Report applies only to the Financial Section. This discussion and analysis applies only to the Financial Section.

The Financial Section includes the following statements and schedules:

- Basic Financial Statements
  - Government-wide financial statements
  - Fund financial statements
  - Notes to financial statements
- Required Supplemental Information (Budgetary Comparison Schedules)
- Combining Statements and Individual Fund Statements and Schedules

## BASIC FINANCIAL STATEMENTS

Shelby County's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide a broad overview of Shelby County's finances in a manner similar to a private-sector business. The two government-wide financial statements present highly summarized information for all of County government.

The *statement of net assets* presents information on all of Shelby County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of changes in the financial position of Shelby County. However, because the County issues substantial amounts of debt for capital assets of others, such as the Memphis City Schools, annual decreases in net assets are expected in years when such debt is issued.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying economic event giving rise to the change occurs, *regardless of the timing of related cashflows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Shelby County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Shelby County include general government, hospital, planning & development, public works, corrections, health services, community services, law enforcement, judicial, other elected officials, education and interest on debt. The business-type activities of Shelby County consist of codes enforcement, fire services and corrections.



The government-wide financial statements include not only Shelby County itself - known as the *primary government* - but also four legally separate entities for which Shelby County is financially accountable. These entities are the Shelby County Board of Education, Shelby County Health Care Corporation (The Med), Agricenter International, and the Emergency Communications District. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. This discussion and analysis is devoted to Shelby County government rather than the component units.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Shelby County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Shelby County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds.* *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is more narrow than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Shelby County maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund, capital projects fund, education fund, and grants fund, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the nonmajor governmental funds combining statements elsewhere in this report.

*Proprietary funds.* Shelby County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Shelby County uses enterprise funds to account for Consolidated Codes Enforcement, Correction Center and Fire Services. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Shelby County's various functions. Shelby County uses internal service funds to account for its central services, group hospital, group life, tort liability and employer insurance funds. Because these services

predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each enterprise fund. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of a *combining statement* elsewhere in this report.

*Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Shelby County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Shelby County Retirement System is the major fiduciary fund.

*Component units combining statements.* Component units are not "funds" of Shelby County as the primary government. However, the government-wide financial statements include one column for all component units as discussed above. In order to provide details on each component unit, a combining statement of net assets and a combining statement of activities are included in the fund financial statements section of the basic financial statements.

**Differences between government-wide and fund financial statements.** The government-wide financial statements are much more aggregated and summarized than the fund financial statements. The government-wide statement of net assets includes capital assets and long-term debt, whereas the fund balance sheets include neither. The government-wide statement of activities does not report the issuance or repayment of long-term debt during the year and reports depreciation expense but not amounts expended for capital assets during the year. The fund statement of revenues, expenditures and changes in fund balances includes as other financing sources the amount of long-term debt incurred during the year and as expenditures the amount of principal repaid. This statement also includes amounts expended for capital assets but not depreciation. These are some of the most common, significant differences but there are others. Following the fund balance sheet and the fund statement of revenues, expenditures and changes in fund balances is a reconciliation of those statements to the government-wide statement of net assets and the statement of activities.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. "Notes" is the traditional term applied to this information; however the term is misleading in that the notes can vary in length from one paragraph to several pages.

#### **REQUIRED SUPPLEMENTARY INFORMATION**

This section contains other information that financial reporting standards specify should be included under this caption. Shelby County is required to present information on budgetary compliance and the retirement system. Budgetary comparison schedules are presented for the

general fund and other “major” special revenue funds (the education fund and the grants fund) to demonstrate compliance with their budget. Other budgetary comparison schedules not fitting the criteria defined for this section are presented under “Combining Statements and Individual Fund Statements and Schedules.” For the Shelby County Retirement System (a fiduciary fund), the required supplementary information is a schedule of funding progress and disclosures related to the actuarial valuations.

#### **COMBINING STATEMENTS AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

Combining fund statements for the non-major special revenue funds and internal service funds are included in this section of the report. Supplemental schedules include general fund and grants fund budgetary comparisons by department, detail of constitutional officers’ activities and schedules of debt by debt issue.

### **Government-wide Financial Analysis (Reporting the County as a Whole)**

#### **FINANCIAL POSITION**

Table 1 shows a condensed version of the Statement of Net Assets (see the government-wide financial statements for the full version as of June 30, 2005). This statement shows the financial position of the County as a whole at specific points in time – in this case as of June 30, 2005 and as of June 30, 2004. The 2004 amounts have been restated for items reported in Note IV (Q) of the Notes to Financial Statements.

Property taxes receivable is by far the largest portion of Shelby County’s assets (60.3% at June 30, 2005 and 57.8% at June 30, 2004). The June 30, 2005 property taxes receivable includes \$642 million, offset by an equal deferred revenue amount in other liabilities, that became a property lien on January 1, 2005 but are levied for next fiscal year’s operations. The similar amount at June 30, 2004 was \$564 million. Total assets increased \$79.7 million, attributable primarily to increases in property taxes receivable and capital assets.

Liabilities increased \$101.6 million during the year. This increase was due primarily to an increase of \$101.5 million in notes payable from short term borrowing and \$75 million in deferred revenues, offset by a decrease of \$49 million in long-term liabilities and of \$25 million in other liabilities.

**Management's Discussion and Analysis**  
**June 30, 2005**

Table 1  
Condensed Statement of Net Assets  
As of June 30, 2005 and 2004

	June 30, 2005	June 30, 2004	Change
<u>Governmental Activities</u>			
Property taxes receivable	\$ 683,388,277	\$ 608,918,477	\$ 74,469,800
Current and other assets	182,230,392	193,207,184	(10,976,792)
Capital assets	230,194,262	209,775,976	20,418,286
Total assets	1,095,812,931	1,011,901,637	83,911,294
Long-term liabilities	1,615,507,305	1,664,400,266	(48,892,961)
Other liabilities	876,309,709	724,406,873	151,902,836
Total liabilities	2,491,817,014	2,388,807,139	103,009,875
Invested in capital, net of related debt	(165,081,297)	(187,605,328)	22,524,031
Restricted	46,561,030	25,939,996	20,621,034
Unrestricted	(1,277,483,816)	(1,215,240,170)	(62,243,646)
Total net assets	(1,396,004,083)	(1,376,905,502)	(19,098,581)
<u>Business-Type Activities</u>			
Current and other assets	8,845,780	12,101,589	(3,255,809)
Capital assets	28,975,090	29,910,693	(935,603)
Total assets	37,820,870	42,012,282	(4,191,412)
Long-term liabilities	5,066,405	5,402,422	(336,017)
Other liabilities	1,126,468	2,210,313	(1,083,845)
Total liabilities	6,192,873	7,612,735	(1,419,862)
Invested in capital, net of related debt	28,180,902	29,047,386	(866,484)
Unrestricted	3,447,095	5,352,161	(1,905,066)
Total net assets	31,627,997	34,399,547	(2,771,550)
<u>Total Primary Government</u>			
Property taxes receivable	683,388,277	608,918,477	74,469,800
Current and other assets	191,076,172	205,308,973	(14,232,601)
Capital assets	259,169,352	239,686,669	19,482,683
Total assets	1,133,633,801	1,053,913,919	79,719,882
Long-term liabilities	1,620,573,710	1,669,802,688	(49,228,978)
Other liabilities	877,436,177	726,617,186	150,818,991
Total liabilities	2,498,009,887	2,396,419,874	101,590,013
Invested in capital, net of related debt	(136,900,395)	(158,557,942)	21,657,547
Restricted	46,561,030	25,939,996	20,621,034
Unrestricted	(1,274,036,721)	(1,209,888,009)	(64,148,712)
Total net assets	\$ (1,364,376,086)	\$ (1,342,505,955)	\$ (21,870,131)

“Net assets” are the difference between assets and liabilities and, in a general sense, may be considered the recorded financial “net worth” of the County. The most obvious concern that can be noted about net assets is the large negative net asset amount. The negative net asset amount is caused by two significant factors. The first factor and largest dollar amount relates to debt issued for capital assets (buildings, roads, etc.) where the capital asset values are *not* recorded in the County’s financial records but the debt *is* on the County’s records. Some of this debt has been

issued to provide capital assets to component units of the County, including the Shelby County Board of Education and the Shelby County Health Care Corporation (The Med). These component units report the capital assets but not the debt. Other debt is issued for entities not a part of the County reporting entity, including the Memphis City Schools Board of Education and the Convention Center. As a result of reporting the debt liabilities without reporting the assets acquired with the proceeds of the debt, a negative net asset amount is reported in the County's statement of net assets.

The following long-term debt and notes payable are reported by the County for which related capital assets are not recorded by Shelby County:

	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Shelby County and City of Memphis schools	\$ 996,948,343	\$ 951,593,850
Shelby County Health Care Corporation (component unit)	109,735,538	115,761,611
Convention Center (joint venture)	73,511,090	75,355,398
Other	77,219,418	80,136,996
Total	<u>\$ 1,267,414,389</u>	<u>\$ 1,222,847,855</u>

The second factor that contributes to the negative net asset amount relates to "infrastructure" capital assets acquired prior to July 1, 2001. These are mostly roads and bridges. GASB Statement No. 34 referenced above requires that these infrastructure capital assets be reported not later than fiscal year 2006. The County will report these capital assets next fiscal year. Some of the long-term debt liability reported was used to acquire or construct these infrastructure capital assets. Since the debt is being reported but the assets have not yet been reported, a negative net asset amount results.

Shelby County, the component units, and other entities (such as Memphis City Schools) use these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Shelby County's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The County's total net assets decreased by \$21.9 million, which is primarily due to the increase in debt for schools' capital assets as discussed above. Excluding the increase in debt for which the related capital assets are not recorded by Shelby County (schedule above) of \$44.6 million, the County's total net assets increased by \$22.7 million. Changes in net assets are discussed below.

**CHANGES IN NET ASSETS – REVENUES, EXPENSES AND TRANSFERS**

Table 2 summarizes the financial activity for the County as a whole for the fiscal year ending June 30, 2005, with comparative amounts for the fiscal year ending June 30, 2004.

For governmental activities, program revenues are those revenues generated by the department or program as a result of the activities engaged in by the department or program. Program revenues decreased 2.1% during the year. General revenues are those revenues not generated through the activities of the County; property taxes produce the largest amount of general revenues. General revenues increased 1.5% during the year. Overall revenues increased 0.7% during the year.

Table 2  
Shelby County Change in Net assets  
Fiscal Years Ending June 30, 2005 and 2004

	FY 2005	FY 2004	Change
<b>Governmental activities:</b>			
<u>Revenues:</u>			
Program revenues:			
Charges for services	\$ 87,079,570	\$ 81,410,002	\$ 5,669,568
Operating grants and contributions	119,186,843	121,711,056	(2,524,213)
Capital grants and contributions	277,257	7,818,000	(7,540,743)
Total program revenues	206,543,670	210,939,058	(4,395,388)
General revenues:			
Property taxes	587,164,493	582,711,510	4,452,983
Other taxes	85,517,893	82,726,123	2,791,770
Other	5,660,042	2,782,079	2,877,963
Total general revenues	678,342,428	668,219,712	10,122,716
Total revenues-governmental activities	884,886,098	879,158,770	5,727,328
<u>Expenses:</u>			
General government	46,228,263	62,965,112	(16,736,849)
Hospital	25,566,667	28,213,585	(2,646,918)
Planning & development	6,084,407	7,363,302	(1,278,895)
Public works	34,934,896	23,258,832	11,676,064
Corrections	371,598	825,555	(453,957)
Health services	50,576,288	50,318,012	258,276
Community services	41,010,999	39,778,703	1,232,296
Law enforcement	128,391,275	126,651,679	1,739,596
Judicial	52,348,970	50,271,461	2,077,509
Other elected officials	31,109,337	29,561,524	1,547,813
Education	404,270,674	428,873,650	(24,602,976)
Interest on debt	75,944,617	65,885,498	10,059,119
Total expenses-governmental activities	896,837,991	913,966,913	(17,128,922)
Increase (decrease) in net assets before transfers	(11,951,893)	(34,808,143)	22,856,250
<u>Transfers</u>	(7,146,688)	(11,861,324)	4,714,636
Increase (decrease) in net assets	(19,098,581)	(46,669,467)	27,570,886
Net assets – beginning of year	(1,376,905,502)	(1,330,236,035)	(46,669,467)
Net assets - end of year	(1,396,004,083)	(1,376,905,502)	(19,098,581)

**Management's Discussion and Analysis**  
**June 30, 2005**

<b>Business-type activities:</b>	<u>FY 2005</u>	<u>FY 2004</u>	<u>Change</u>
<u>Revenues:</u>			
Operating revenues:			
Charges for services	56,282,351	63,770,875	(7,488,524)
Operating grants and contributions	56,960	60,960	(4,000)
Total operating revenues	<u>56,339,311</u>	<u>63,831,835</u>	<u>(7,492,524)</u>
Non-operating revenues	283,040	486,261	(203,221)
Total revenues	<u>56,622,351</u>	<u>64,318,096</u>	<u>(7,695,745)</u>
<u>Expenses:</u>			
Codes enforcement	12,753,672	8,081,482	4,672,190
Nursing homes	-0-	15,783,099	(15,783,099)
Fire services	11,218,053	11,408,991	(190,938)
Corrections	42,568,864	44,288,051	(1,719,187)
Total expenses	<u>66,540,589</u>	<u>79,561,623</u>	<u>(13,021,034)</u>
Increase (decrease) in net assets before transfers	(9,918,238)	(15,243,527)	5,325,289
<u>Transfer</u>	<u>7,146,688</u>	<u>11,861,324</u>	<u>(4,714,636)</u>
Increase (decrease) in net assets	(2,771,550)	(3,382,203)	610,653
Net assets - beginning of year	34,399,547	37,781,750	(3,382,203)
Net assets - end of year	<u>31,627,997</u>	<u>34,399,547</u>	<u>(2,771,550)</u>
<b>Total primary government:</b>			
Increase (decrease) in net assets	(21,870,131)	(50,051,670)	28,181,539
Net assets - beginning of year	(1,342,505,955)	(1,292,454,285)	(50,051,670)
Net assets - end of year	<u>\$ (1,364,376,086)</u>	<u>\$ (1,342,505,955)</u>	<u>\$ (21,870,131)</u>

Total expenses for the year in governmental activities decreased \$17.1 million (1.9%). The decrease in general government (\$16.7 million) and the increase in public works (\$11.7 million) includes the shift of \$12.5 million from general government to public works. Education expenses decreased \$24.6 million because the prior year included \$29 million of school debt to build a new high school.

In business-type activities, total revenues decreased by \$7.7 million. However, FY 2004 included \$9.7 million of revenue from the Oakville Health Care Center; Oakville was sold as of June 30, 2004 so there was no revenue from this activity in FY 2005. Approximately 75% of the inmates at the Corrections Center are the responsibility of the State of Tennessee. The State pays the Corrections Center their share of actual cost per inmate day. The general fund provides an operating transfer for the costs not recovered from the state. The change in net assets in this fund generally represents non-cash changes in long term assets and liabilities.

#### CHANGE IN FINANCIAL POSITION DURING YEAR

The overall change in the financial position of Shelby County during fiscal year 2005 was a decrease in net assets of \$21.9 million.

The County's governmental activities operated at a deficit of approximately \$19.1 million. This was mostly debt issued for component units, the City of Memphis Board of Education, and others where the County retains liability for the debt but does not hold the related capital assets. This situation is discussed more at length above.

The business-type activities had a net decrease of \$2.8 million. This resulted from a planned reduction in net assets of Consolidated Codes Enforcement, offset somewhat by operating profits in the Fire Services Fund.

### **Financial Analysis of the Government's Funds**

As noted earlier, Shelby County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Shelby County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing Shelby County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Shelby County's governmental funds reported a combined ending deficit fund balance of \$48,337,208. The components of the balances are:

	June 30, 2005	June 30, 2004
General Fund-reserved/designated	\$ 4,158,337	\$ 5,260,223
General Fund-unreserved	37,539,543	30,181,239
Debt Service Fund	29,241,588	9,457,475
Special revenue funds	17,374,768	16,482,521
Total, except Capital Projects Fund	88,314,236	61,381,458
Capital Projects Fund	(132,651,444)	(24,919,442)
Total all governmental funds	<u>\$ (48,337,208)</u>	<u>\$ 36,462,016</u>

There was a \$26.9 million increase in fund balance excluding capital projects. The decrease in the capital projects fund results from the use of short-term borrowing for capital projects as discussed below.

The general fund operated with net revenue of \$6.1 million, resulting from revenue exceeding budget by \$3 million and expenditures being \$3 million under budget. The County had planned to increase unreserved fund balance by at least \$1 million to provide more resources to absorb potential negative financial events. The general fund unreserved amount is available for spending at the government's discretion. The remainder of fund balance has been committed to liquidate contracts and purchase orders of the prior period and for advances to the Fire Services Fund.



The general fund is the chief operating fund of Shelby County. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 12.5 percent of total general fund expenditures, while total fund balance represents 13.8 percent of that same amount. General fund revenues were \$24 million (7.2%) below the prior year, which resulted primarily from shifting local property taxes from the general fund to the debt service fund. Expenditures were \$15.4 million less (4.9%) than the prior year and net transfers were \$4.4 million less. Before the beginning of FY 2004 management committed to increasing unreserved fund balance of the general fund by \$10 million over the next two years; the actual increase for those two years was \$19.3 million.

The debt service fund has a total fund balance of \$29,241,588 to be used for the payment of debt service. The net increase in fund balance during the current year was \$19,784,113. This increase resulted from revenue exceeding budget by \$4.5 million and a refinancing debt issue providing \$10.7 million as an other financing source and a \$4.7 million reduction in debt service expenditures.

The increase in the fund deficit of the capital projects fund was the result of issuing short-term debt for capital improvement projects. At the conclusion of each short-term borrowing program (generally two years), the short-term debt is refinanced with long-term general obligation debt. Short-term debt is recorded as a liability of the capital projects fund and, to the extent such borrowings have been spent, a fund deficit is created. The deficit is cleared when long-term debt is issued. Short-term debt outstanding at June 30, 2005 was \$141.0 million compared to \$39.5 million at June 30, 2004.

All special revenue balances are available only for the specific purposes designated by the provider of the funds or the legislation establishing the fees and charges that generate the revenue.

***Proprietary funds.*** Shelby County's proprietary funds report financial information on the same basis as the government-wide financial statements (full accrual accounting based on the economic substance of transactions), but in more detail. Proprietary funds consist of two types of funds business-type activities - enterprise funds and governmental activities - internal service funds.

The County has three business-type activities; these are essentially self-supporting activities. Two of the activities have consistently been able to support themselves; these are the Consolidated Codes Enforcement Fund and the Fire Services Fund. The Corrections Center receives reimbursement from the State of Tennessee for housing State prisoners, which are about 75% of the prison population. The general fund provides the remaining cost, excluding depreciation. Unrestricted net assets of the enterprise funds at the end of the year amounted to \$3,447,095, a decrease of 48.2%.

Total net assets of the enterprise funds decreased \$2,771,550, or about 8.1%, during the year. This decrease was caused by the planned use of fund balance in the Consolidated Codes Enforcement Fund.

The County has five internal service funds. These funds are reported using full accrual accounting. *For the government-wide financial statements, these funds are combined with governmental activities.* At June 30, 2005 these funds combined had net assets of \$7,861,063, an improvement of \$7,892,499 over the deficit of \$31,436 from the prior year. The employer insurance fund had a deficit at June 30, 2004 of \$3,894,774; this was reduced to a deficit of \$3,114,027 at June 30, 2005. This deficit is the result of claims that will be paid over a period of years being recorded when the claim occurs. The County's policy is to provide funding for long term claims on a claims paid basis. All the other funds have positive net assets.

***Fiduciary funds.*** Shelby County reports two fiduciary funds. The largest is the Shelby County Retirement System. The funds in this trust are available only for retirement benefits of current and retired County employees. The accumulated funds in the retirement system are equal to the currently calculated actuarial liability, meaning the system is properly funded. The County provides funding as required each year for the increased liability for benefits being earned by current employees.

The County also maintains agency funds for a number of the County's elected "constitutional officers" (those officials designated by the State's constitution). These funds do not belong to the County, but are funds held for others. There are no "fund balances" for agency funds.

### **Governmental Fund Budgetary Highlights**

Differences between the original budget and the final amended budget for the general fund can be briefly summarized as follows:

- Overall the expenditure budget decreased during the year by \$546,453, or about two-tenths of one percent. Actual expenditures were \$3 million below the amended budget, or 1.0%.
- The budget for general government was increased during the year by \$3.4 million, or 9.5%.
- The budget for health services was decreased during the year by \$2.2 million, or 7.2%.
- The budget for law enforcement was decreased during the year by \$2.0 million, or 1.6%. Actual expenditures were also \$1.2 million below the amended budget, or about 1.0%.
- The budget for judicial was decreased during the year by \$1.6 million, or about 4.2%.
- The budget for other elected officials was increased during the year by \$2.8 million, or about 10.9%.
- The revenue budget was decreased during the year by \$213,435, or less than one-tenth of one percent, from the original budget. Actual revenues were \$3.1 million, or about 1.0%, above the amended budget.
- Budgeted net transfers out were increased by \$1.4 million.

### **Capital Asset and Debt Administration**

**Capital Assets.** Shelby County Government's investment in capital assets for its governmental and business type activities as of June 30, 2005 amounts to \$259,169,352 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities and roads. Infrastructure, primarily roads, acquired prior to July 1, 2001 are not included. GASB Statement No. 34 requires the inclusion of infrastructure acquired beginning July 1, 2001 with retroactive reporting of infrastructure required not later than the County's fiscal year ending June 30, 2006.

Additional information on Shelby County Government's capital assets can be found in note IV (E) of the Notes to Financial Statements of this report.

Major capital asset events during the current fiscal year included the following:

- Roadway improvements, drainage improvements, and sanitary sewer upgrades continued within the County with an estimated cost of \$7.6 million.
- Renovation work continued at the Criminal Justice Complex, with projects including centralization of the floor pod control, jail door retrofit, and jail control center.
- Funding for the radio frequency and equipment upgrades project totaled \$10.8 million.

Construction in progress as of the end of the current fiscal year was \$43,087,654.

**Long-term Debt.** At June 30, 2005 Shelby County's general obligation bonded debt (bonds payable) outstanding totaled \$1,569,111,426 which represented approximately 10.35 percent of assessed value. In addition, the County has short-term notes payable of \$141 million, an increase of \$101.5 million. These notes payable will be converted to long term debt during the next two years. The County's bonds and notes payable increased by approximately \$51.1 million (3.1%) during the year. Debt, generally, may be issued without regard to any limit on indebtedness. The ad valorem tax levy is also without legal limit.

The County uses notes payable programs to initially finance capital projects. This allows the County to borrow only as the proceeds are actually needed and to take advantage of lower short-term interest rates. Annually, the County adopts a five-year capital projects plan. Based on this plan for the current year and capital projects cash flow projections, a notes payable program is established with a maximum borrowing amount. Borrowing occurs as needed for up to two years. After completion of each program, the notes payable are converted to bonds payable to be repaid within 25 years. In fiscal year 2004 a \$115 million notes payable program was authorized that had notes payable of \$111 million outstanding at June 30, 2005. In fiscal year 2005 a \$275 million notes program was authorized that had notes payable of \$30 million outstanding at June 30, 2005.

In 1999 the County signed a funding agreement with the Shelby County and the City of Memphis School boards of education to provide \$655,250,000 of capital funding over eight years. Under this agreement, the County is committed to provide approximately \$77 million of capital funding to the schools in the next fiscal year, the final year of the agreement. A new agreement was signed in 2005 to provide \$100 million to be divided equally between the two school systems to provide a new high school for the County schools and to provide funding for

renovations for the City of Memphis schools. In addition, this agreement provides for capital funding to the schools of \$60 million per year for fiscal years 2007, 2008 and 2009, to be divided based on average daily attendance.

The County maintains ratings from Moody's Investors Service ("Moody's"), Standard & Poor's Corporation ("Standard & Poor's") and Fitch IBCA, Inc. ("Fitch") on its previously issued general obligation bonds not secured by letter of credit as follows:

Moody's Aa2	Standard & Poor's AA+	Fitch IBCA, Inc. AA
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Moody's issues ratings from Aaa to C to designate the relative investment qualities of bonds. The Aa rating is in the second highest of the rating categories. The modifier 2 indicates that the Bonds are in the middle range of the Aa category. Moody's describes its Aa ratings as "Bonds which are rated Aa are judged to be a high quality by all standards. They are rated lower than the best bond because margins of protection may not be as large as in Aaa or fluctuation of protection elements may be of greater amplitude or there may be other elements present which make the long term risk appear somewhat larger than Aaa securities."

Standard & Poor's and Fitch issue ratings from AAA to D to designate the relative investment qualities of bonds. The AA rating is the second highest of the ten such ratings. Standard & Poor's and Fitch describes their rating as "Debt rate AA+ has a very strong capacity to pay interest and repay principal and differs from the highest rated issues only in small degree. Plus or minus signs are used to show relative standing within the major rating categories."

Additional information on Shelby County Government's long-term debt can be found in note IV(H) of the Notes to Financial Statements of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- The June 2005 unemployment rate for Shelby County was 7.7 percent, compared to the state's rate of 6.3 percent.
- Inflationary trends in the region compare favorably to national indices.

For 2006 the property tax rate was maintained at the same amount as 2005. All properties were reappraised as of January 1, 2005, which are the basis for property taxes for fiscal 2006. As a result of the combination of growth and the increase in appraised values, current property taxes are budgeted to increase 9% or \$51 million in 2006 over the 2005 budget. Education was provided an increase of \$24 million (8.5%) and debt service was provided an increase of \$24 million to meet debt service growth as discussed below. The general fund was only allocated an increase of \$3 million or 1.6%.

For fiscal 2006 general fund revenue growth is budgeted to be 2.9% over the 2005 budget. Actual revenue for 2005 exceeded the amount budgeted so that only 1.7% growth in actual revenue will be necessary to reach the budget. General fund expenditures were also budgeted to

increase by 2.9% compared to 2005. The County Mayor and Commission are committed to holding general fund expenditures in line with general fund revenue growth. With a substantial portion of the County incorporated and annexations increasing the incorporated area, county government is shifting responsibilities to the cities and focusing on our primary mission of education, criminal justice and health. A consulting firm was engaged in 2004 to perform an efficiency study and assist us in preparing a five year strategic plan which was completed in October 2004. Substantial efficiencies have been identified and implemented. Also, controls have been put in place to minimize hiring to shrink county government through attrition. These measures have allowed the 2006 general fund budgeted expenditures to be less than actual expenditures in 2003.

Because of the school capital needs and converting notes payable to long term-debt to take advantage of low interest rates, debt service expenditures are increasing \$6 million in 2006. Property reappraisal as of January 1, 2005 allowed us to transfer 10 cents of the property tax rate to the debt service fund to replace non-recurring revenue and to provide for debt service projected increases through fiscal 2009.

Debt service requirements will continue to increase for the next several years because of the school funding commitment previously noted and the current debt structure. However, various steps are being taken to move towards ending the growth of debt and the debt service requirements. Capital outlays have been reduced from \$154 million in 2002 to \$116 million in 2005. The five-year capital improvement plan was updated with reductions in new debt requirements except for the additional \$100 million commitment for schools noted above which is expected to be split equally between 2006 and 2007. Starting in 2008, the capital improvement plan provides for expenditures of less than \$80 million per year.

### **Requests for Information**

This financial report is designed to provide a general overview of Shelby County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrator, Department of Finance, Shelby County Government, 160 North Main Street, Memphis, Tennessee 38103.

**Statement of Net Assets**  
**June 30, 2005**

	Governmental Activities	Business-type Activities	Total	Component Units
<b>Assets:</b>				
Cash and cash equivalents	\$ 85,061,373	\$ 9,841,167	\$ 94,902,540	\$ 45,847,206
Investments	35,875,414	---	35,875,414	71,896,230
Property taxes receivable, net of allowance for uncollectibles	683,388,277	---	683,388,277	---
Other receivables	10,790,285	1,242,982	12,033,267	37,898,028
Due from other governmental entities	19,386,499	5,950,000	25,336,499	13,619,605
Due from component units	7,260,732	---	7,260,732	---
Due from primary government	---	---	---	1,795,372
Internal balances	8,457,394	(8,457,394)	---	---
Inventories	215,522	---	215,522	3,388,062
Deposits held by others	1,446,927	269,025	1,715,952	---
Notes receivable	13,736,246	---	13,736,246	---
Other assets	---	---	---	4,108,997
Restricted and other investments	---	---	---	21,362,066
Land	10,204,433	---	10,204,433	---
Construction in progress	43,087,654	---	43,087,654	---
Depreciable capital assets, net	176,902,175	28,975,090	205,877,265	383,006,206
<b>Total Assets</b>	<b>\$ 1,095,812,931</b>	<b>\$ 37,820,870</b>	<b>\$ 1,133,633,801</b>	<b>\$ 582,921,772</b>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 44,530,136	\$ 721,324	\$ 45,251,460	\$ 56,349,425
Interest payable	15,335,863	---	15,335,863	---
Due to other governmental entities	5,891,618	---	5,891,618	4,887
Due to component units	1,795,372	---	1,795,372	---
Due to primary government	---	---	---	7,260,732
Deposits held for others	7,583,653	330,864	7,914,517	---
Unearned revenue	648,069,196	74,280	648,143,476	858,512
Notes payable	141,000,000	---	141,000,000	---
Claims payable	12,103,871	---	12,103,871	2,629,467
Long-term liabilities				
Due within one year	79,886,449	2,647,417	82,533,866	369,859
Due in more than one year	1,535,620,856	2,418,988	1,538,039,844	10,622,133
<b>Total Liabilities</b>	<b>2,491,817,014</b>	<b>6,192,873</b>	<b>2,498,009,887</b>	<b>78,095,015</b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	(165,081,297)	28,180,902	(136,900,395)	375,541,017
Restricted for:				
Education	---	---	---	8,280,162
Debt service	29,241,588	---	29,241,588	---
Roads and bridges	11,108,014	---	11,108,014	---
Special revenues and hospitals	6,211,428	---	6,211,428	3,755,530
Unrestricted	(1,277,483,816)	3,447,095	(1,274,036,721)	117,250,048
<b>Total Net Assets</b>	<b>(1,396,004,083)</b>	<b>31,627,997</b>	<b>(1,364,376,086)</b>	<b>504,826,757</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,095,812,931</b>	<b>\$ 37,820,870</b>	<b>\$ 1,133,633,801</b>	<b>\$ 582,921,772</b>

The notes to the financial statements are an integral part of this statement.

**Statement of Activities**  
**For the Year Ended June 30, 2005**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 46,228,263	\$ 13,108,931	\$ 16,892,058	\$ ---
Hospital	25,566,667	---	---	---
Planning and development	6,084,407	1,123,836	4,565,843	---
Public works	34,934,896	4,632,696	11,374,390	277,257
Corrections	371,598	---	371,598	---
Health services	50,576,288	12,413,470	27,071,144	---
Community services	41,010,999	702,269	36,727,209	---
Law enforcement	128,391,275	4,160,517	1,984,203	---
Judicial	52,348,970	17,427,231	17,701,691	---
Other elected officials	31,109,337	33,510,620	1,147,751	---
Education	404,270,674	---	---	---
Interest on debt	75,944,617	---	1,350,956	---
Total governmental activities	896,837,991	87,079,570	119,186,843	277,257
Business-type activities:				
Codes enforcement	12,753,672	9,966,304	---	---
Fire services	11,218,053	12,921,848	41,760	---
Corrections	42,568,864	33,394,199	15,200	---
Total business-type activities	66,540,589	56,282,351	56,960	---
Total primary government	\$ 963,378,580	\$ 143,361,921	\$ 119,243,803	\$ 277,257
Component units:				
Board of Education	\$ 315,903,839	\$ ---	\$ 168,496,368	\$ ---
Shelby County Health Care Corporation	287,719,360	253,884,966	---	---
Nonmajor component units	5,523,177	8,210,362	---	---
Total component units	\$ 609,146,376	\$ 262,095,328	\$ 168,496,368	\$ ---

## General revenues:

Property taxes - levied for education  
Property taxes - levied for debt service  
Property taxes - levied for general government  
Sales taxes  
Business taxes  
Hotel/Motel taxes  
Wheel taxes  
Other taxes

## Grants and contributions not restricted to specific programs:

Payments from Shelby County  
Other sources  
Unrestricted investment earnings  
Special items - transfer assets to Memphis City Schools  
Transfers, net

## Total general revenues and transfers

## Changes in net assets

Net assets - June 30, 2004 restated

Net assets - June 30, 2005

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenue and Changes in Net Assets			
Primary Government		Total	Component Units
Governmental Activities	Business-type Activities		
\$ (16,227,274)	\$ ---	\$ (16,227,274)	\$ ---
(25,566,667)	---	(25,566,667)	---
(394,728)	---	(394,728)	---
(18,650,553)	---	(18,650,553)	---
---	---	---	---
(11,091,674)	---	(11,091,674)	---
(3,581,521)	---	(3,581,521)	---
(122,246,555)	---	(122,246,555)	---
(17,220,048)	---	(17,220,048)	---
3,549,034	---	3,549,034	---
(404,270,674)	---	(404,270,674)	---
(74,593,661)	---	(74,593,661)	---
(690,294,321)	---	(690,294,321)	---
---	(2,787,368)	(2,787,368)	---
---	1,745,555	1,745,555	---
---	(9,159,465)	(9,159,465)	---
---	(10,201,278)	(10,201,278)	---
(690,294,321)	(10,201,278)	(700,495,599)	---
---	---	---	(147,407,471)
---	---	---	(33,834,394)
---	---	---	2,687,185
---	---	---	(178,554,680)
294,207,408	---	294,207,408	---
102,276,181	---	102,276,181	---
190,680,904	---	190,680,904	---
10,200,007	---	10,200,007	38,775,666
8,123,470	---	8,123,470	---
10,522,938	---	10,522,938	---
29,237,237	---	29,237,237	---
27,434,241	---	27,434,241	---
---	---	---	141,940,318
---	---	---	9,309,454
5,660,042	283,040	5,943,082	12,558,368
---	---	---	(29,952,197)
(7,146,688)	7,146,688	---	---
671,195,740	7,429,728	678,625,468	172,631,609
(19,098,581)	(2,771,550)	(21,870,131)	(5,923,071)
(1,376,905,502)	34,399,547	(1,342,505,955)	510,749,828
\$ (1,396,004,083)	\$ 31,627,997	\$ (1,364,376,086)	\$ 504,826,757



	General Fund	Debt Service Fund	Capital Projects Fund
Assets:			
Cash and cash equivalents	\$ 23,253,096	\$ 1,257,397	\$ 14,414,753
Investments	8,875,414	27,000,000	---
Property taxes receivable, net of allowance for uncollectibles	206,992,309	136,474,360	---
Accrued interest receivable	523,446	75,069	---
Accounts receivable and accrued revenues	2,035,275	239,098	13,436
Due from other governmental entities	4,109,250	1,343,783	419,369
Due from other funds	11,049,190	---	---
Due from component units	---	3,905,886	3,354,846
Advance to other funds	2,837,359	---	---
Deposits held by others	---	---	749,139
Notes receivable	373,994	9,191,636	3,574,889
Total Assets	<u>\$ 260,049,333</u>	<u>\$ 179,487,229</u>	<u>\$ 22,526,432</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 8,921,322	\$ 1,206,804	\$ 7,231,770
Due to other governmental entities	1,243,824	---	---
Due to other funds	---	---	---
Due to component units	---	---	---
Deposits held for others	521,174	---	3,964,372
Deferred revenue	207,183,758	149,038,837	6,981,734
Notes payable	---	---	141,000,000
Claims payable	481,375	---	---
Total Liabilities	<u>218,351,453</u>	<u>150,245,641</u>	<u>159,177,876</u>
Fund Balances (deficit):			
Reserved for encumbrances	1,320,978	---	---
Reserved for advances	2,837,359	---	---
Unreserved:			
Major governmental funds	37,539,543	29,241,588	(136,651,444)
Nonmajor governmental special revenue funds	---	---	---
Total Fund Balances	<u>41,697,880</u>	<u>29,241,588</u>	<u>(136,651,444)</u>
Total Liabilities and Fund Balances	<u>\$ 260,049,333</u>	<u>\$ 179,487,229</u>	<u>\$ 22,526,432</u>

The notes to the financial statements are an integral part of this statement.

Education Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,128,429	\$ ---	\$ 15,303,643	\$ 56,357,318
---	---	---	35,875,414
339,921,608	---	---	683,388,277
---	---	---	598,515
1,373,358	6,250,691	156,897	10,068,755
1,343,782	9,711,435	2,195,227	19,122,846
---	---	---	11,049,190
---	---	---	7,260,732
---	---	---	2,837,359
---	4,966	431,297	1,185,402
---	595,727	---	13,736,246
<u>\$ 344,767,177</u>	<u>\$ 16,562,819</u>	<u>\$ 18,087,064</u>	<u>\$ 841,480,054</u>
\$ ---	\$ 3,304,967	\$ 1,998,893	\$ 22,663,756
4,578,957	68,837	---	5,891,618
---	5,429,155	---	5,429,155
1,795,372	---	---	1,795,372
---	2,725,536	372,571	7,583,653
338,392,848	3,375,156	---	704,972,333
---	---	---	141,000,000
---	---	---	481,375
<u>344,767,177</u>	<u>14,903,651</u>	<u>2,371,464</u>	<u>889,817,262</u>
---	---	2,102,322	3,423,300
---	---	---	2,837,359
---	1,659,168	---	(68,211,145)
---	---	13,613,278	13,613,278
<u>---</u>	<u>1,659,168</u>	<u>15,715,600</u>	<u>(48,337,208)</u>
<u>\$ 344,767,177</u>	<u>\$ 16,562,819</u>	<u>\$ 18,087,064</u>	<u>\$ 841,480,054</u>

**Reconciliation of Fund Balances of Governmental  
Funds to the Statement of Net Assets  
June 30, 2005**

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Fund balance - total governmental funds (page 31)	\$ (48,337,208)
Amounts reported for the governmental activities in the statement of net assets (page 27) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in funds	229,784,113
Receivables not available to pay for current expenditures are reported as deferred revenue in the funds	60,302,904
Amounts payable to schools from receivables not available to pay current expenditures	(18,867,848)
Interest on long-term debt is not payable with current financial resources and, therefore, is not reported in the funds	(15,335,863)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	(1,611,411,244)
Internal service funds are used by management to charge the costs of central services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets	<u>7,861,063</u>
Net assets of governmental activities (page 27)	<u>\$ (1,396,004,083)</u>

The notes to the financial statements are an integral part of this statement.

**Governmental Funds**

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2005**

	General Fund	Debt Service Fund	Capital Projects Fund
Revenues:			
Local taxes	\$ 212,588,811	\$ 121,689,521	\$ ---
Local revenue	26,178,599	2,704,356	12,247,232
State revenue	14,258,452	1,350,957	277,257
Federal revenue	12,035	---	---
Patient service revenue	497,522	---	---
Elected officials' fines & fees	53,040,414	1,023,679	---
Other revenue	4,985,342	396,818	784,442
	<u>311,561,175</u>	<u>127,165,331</u>	<u>13,308,931</u>
Total revenues			
Expenditures:			
Current			
General government	37,769,265	---	---
Hospital	20,566,667	---	---
Planning and development	537,304	---	---
Public works	19,637,348	---	---
Corrections	---	---	---
Health services	28,281,433	---	---
Community services	3,712,722	---	---
Law enforcement	125,490,249	---	---
Judicial	35,123,060	---	---
Other elected officials	28,491,976	---	---
Education	---	---	---
Debt service & related cost	1,348,213	134,430,668	1,807,885
Capital outlay: capital projects	---	---	116,166,362
	<u>300,958,237</u>	<u>134,430,668</u>	<u>117,974,247</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>10,602,938</u>	<u>(7,265,337)</u>	<u>(104,665,316)</u>
Other Financing Sources (Uses):			
Transfers in	12,962,317	16,689,941	3,000,215
Transfers out	(17,457,983)	(324,815)	(10,066,901)
General obligation bonds issued at face value	---	407,165,000	---
Bond issue premium (discount), net	---	36,575,125	---
Payment to refunding bond escrow agent	---	(433,055,801)	---
	<u>(4,495,666)</u>	<u>27,049,450</u>	<u>(7,066,686)</u>
Total other financing sources (uses)			
Net change in fund balances	6,107,272	19,784,113	(111,732,002)
Fund balances June 30, 2004, as restated	35,590,608	9,457,475	(24,919,442)
Fund balances June 30, 2005	<u>\$ 41,697,880</u>	<u>\$ 29,241,588</u>	<u>\$ (136,651,444)</u>

The notes to the financial statements are an integral part of this statement.

Education Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 325,859,655	\$ ---	\$ 11,898,094	\$ 672,036,081
---	6,092,890	1,319,100	48,542,177
---	51,807,203	14,812,316	82,506,185
---	26,469,182	---	26,481,217
---	1,514,519	---	2,012,041
---	---	2,091,737	56,155,830
---	493,369	347,937	7,007,908
325,859,655	86,377,163	30,469,184	894,741,439
---	828,357	10,801,377	49,398,999
---	---	---	20,566,667
---	5,572,838	---	6,110,142
---	1,618,322	8,598,530	29,854,200
---	371,598	---	371,598
---	21,320,330	793,425	50,395,188
---	37,202,404	---	40,915,126
---	558,562	1,266,891	127,315,702
---	15,673,215	---	50,796,275
---	1,041,736	743,422	30,277,134
325,859,655	---	---	325,859,655
---	---	---	137,586,766
---	---	---	116,166,362
325,859,655	84,187,362	22,203,645	985,613,814
---	2,189,801	8,265,539	(90,872,375)
---	3,334,941	274,830	36,262,244
---	(5,383,212)	(8,946,320)	(42,179,231)
---	---	---	407,165,000
---	---	---	36,575,125
---	---	---	(433,055,801)
---	(2,048,271)	(8,671,490)	4,767,337
---	141,530	(405,951)	(86,105,038)
---	1,517,638	16,121,551	37,767,830
\$ ---	\$ 1,659,168	\$ 15,715,600	\$ (48,337,208)

**Reconciliation of Changes in Fund Balances of Governmental  
Funds to the Statement of Activities  
For the Year Ended June 30, 2005**

---

Net change in fund balances - total governmental funds (page 35)	\$ (86,105,038)
Amounts reported for the governmental activities in the statement of activities (page 29) are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and net gains and losses on retirements in the current period.	20,736,073
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(10,997,869)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	49,911,149
Changes in other long-term liabilities other than in internal service funds	(535,395)
Internal service funds are used by management to charge the costs of central services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>7,892,499</u>
Change in net assets of governmental activities (page 29)	<u><u>\$ (19,098,581)</u></u>
The notes to the financial statements are an integral part of this statement.	

**Proprietary Funds**  
**Statement of Net Assets**  
**June 30, 2005**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities- Internal Service Funds</b>
	Consolidated Codes Enforcement Fund	Fire Services Fund	Corrections Center Fund	Total	
<b>Assets:</b>					
Current Assets:					
Cash and cash equivalents	\$ 8,841,298	\$ 999,869	\$ ---	\$ 9,841,167	\$ 28,704,055
Accounts receivable and accrued revenues	108,310	1,093,518	41,154	1,242,982	123,015
Due from other governmental entities	---	---	5,950,000	5,950,000	263,653
Inventories	---	---	---	---	215,523
Deposits held in trust	---	---	269,025	269,025	261,525
Total Current Assets	8,949,608	2,093,387	6,260,179	17,303,174	29,567,771
Noncurrent Assets:					
Depreciable capital assets, net	1,843,394	2,604,744	24,526,952	28,975,090	410,148
Total Noncurrent Assets	1,843,394	2,604,744	24,526,952	28,975,090	410,148
Total Assets	\$ 10,793,002	\$ 4,698,131	\$ 30,787,131	\$ 46,278,264	\$ 29,977,919
<b>Liabilities and Net Assets:</b>					
Current Liabilities:					
Accounts payable and accrued liabilities	\$ 60,488	\$ 72,237	\$ 588,599	\$ 721,324	\$ 2,998,532
Due to other funds	---	---	5,620,035	5,620,035	---
Deposits held for others	61,839	---	269,025	330,864	---
Interfund loans payable	---	2,837,359	---	2,837,359	---
Deferred revenue	74,280	---	---	74,280	3,399,767
Sick and annual leave payable	301,685	977,603	1,257,140	2,536,428	32,007
Capital lease obligations	---	110,989	---	110,989	---
Claims payable	---	---	---	---	11,622,496
Total Current Liabilities	498,292	3,998,188	7,734,799	12,231,279	18,052,802
Noncurrent Liabilities:					
Capital lease obligations	---	683,199	---	683,199	---
Claims payable	---	---	---	---	4,024,859
Sick and annual leave payable	272,949	357,345	1,105,495	1,735,789	39,195
Total Noncurrent Liabilities	272,949	1,040,544	1,105,495	2,418,988	4,064,054
Total Liabilities	771,241	5,038,732	8,840,294	14,650,267	22,116,856
Net Assets:					
Invested in capital assets, net of related debt	1,843,394	1,810,556	24,526,952	28,180,902	410,148
Unrestricted	8,178,367	(2,151,157)	(2,580,115)	3,447,095	7,450,915
Total Net Assets	10,021,761	(340,601)	21,946,837	31,627,997	7,861,063
Total Liabilities and Net Assets	\$ 10,793,002	\$ 4,698,131	\$ 30,787,131	\$ 46,278,264	\$ 29,977,919

The notes to the financial statements are an integral part of this statement.

**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**For The Year Ended June 30, 2005**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities- Internal Service Funds</b>
	Consolidated Codes Enforcement Fund	Fire Services Fund	Corrections Center Fund	Total	
Operating revenues:					
Federal revenue	\$ ---	\$ ---	\$ 15,200	\$ 15,200	\$ ---
State revenue	---	41,760	32,570,585	32,612,345	---
Permits and fees	9,966,304	12,921,848	823,614	23,711,766	---
Premium revenue	---	---	---	---	62,894,955
Charges for services	---	---	---	---	5,328,543
Total operating revenues	9,966,304	12,963,608	33,409,399	56,339,311	68,223,498
Operating expenses:					
Salaries and wages	7,363,438	8,056,756	24,127,074	39,547,268	700,902
Fringe benefits	2,090,342	1,968,034	6,846,981	10,905,357	209,273
Supplies	229,798	148,991	3,245,198	3,623,987	1,078,962
Services	114,482	37,906	92,035	244,423	4,588,984
Professional and contracted services	415,209	73,475	4,373,648	4,862,332	189,027
Rent, utilities and maintenance	206,705	182,072	2,466,665	2,855,442	2,876,628
Depreciation	249,058	307,377	1,063,267	1,619,702	94,454
Other expenses	1,994,672	252,174	127,067	2,373,913	277
Claims incurred	---	---	---	---	49,741,961
Total operating expenses	12,663,704	11,026,785	42,341,935	66,032,424	59,480,468
Operating income (loss)	(2,697,400)	1,936,823	(8,932,536)	(9,693,113)	8,743,030
Nonoperating revenues (expenses):					
Interest income	270,209	12,831	---	283,040	31,509
Interest expense	---	(191,268)	(225,179)	(416,447)	---
Loss on disposition of assets	(89,968)	---	(1,750)	(91,718)	(50,457)
Income (loss) before transfers	(2,517,159)	1,758,386	(9,159,465)	(9,918,238)	8,724,082
Transfers:					
Transfers in	127,646	---	11,300,000	11,427,646	379,009
Transfers out	(1,451,983)	(600,000)	(2,700,000)	(4,751,983)	(1,210,592)
Capital contributions	---	---	471,025	471,025	---
Net Transfers	(1,324,337)	(600,000)	9,071,025	7,146,688	(831,583)
Change in net assets	(3,841,496)	1,158,386	(88,440)	(2,771,550)	7,892,499
Net Assets:					
June 30, 2004, as restated	13,863,257	(1,498,987)	22,035,277	34,399,547	(31,436)
June 30, 2005	\$ 10,021,761	\$ (340,601)	\$ 21,946,837	\$ 31,627,997	\$ 7,861,063

The notes to the financial statements are an integral part of this statement.



**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2005**

	<b>Business-type Activities Enterprise Funds</b>		
	Consolidated Codes Enforcement Fund	Fire Services Fund	Corrections Center Fund
Cash flows from operations:			
Receipts from customers	\$ 9,949,861	\$ 12,931,001	\$ 35,168,883
Premiums received	---	---	---
Cash payments to suppliers	(2,961,178)	(654,250)	(10,168,866)
Cash payments to employees	(9,486,849)	(10,121,257)	(31,111,417)
Claims paid	---	---	---
Net cash provided by (used in) operating activities	(2,498,166)	2,155,494	(6,111,400)
Cash flows from noncapital financing activities:			
Transfers from other funds	127,646	---	9,149,618
Transfers to other funds	(1,451,983)	(600,000)	(2,700,000)
Advances from other funds repayment	---	(450,602)	---
Interest on advance from other funds	---	(149,398)	---
Net cash provided by (used in) noncapital financing activities	(1,324,337)	(1,200,000)	6,449,618
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(197,504)	---	(113,039)
Proceeds from sale of capital assets	5,751	---	---
Capital lease obligation payments	---	(69,119)	---
Interest paid	---	(41,870)	(225,179)
Net cash used in capital and related financing activities	(191,753)	(110,989)	(338,218)
Cash flows from investing activities:			
Interest income	270,209	12,831	---
Net cash provided by (used in) investing activities	270,209	12,831	---
Net increase (decrease) in cash and cash equivalents	(3,744,047)	857,336	---
Cash and cash equivalents, June 30, 2004	12,585,345	142,533	---
Cash and cash equivalents, June 30, 2005	\$ 8,841,298	\$ 999,869	\$ ---

The notes to the financial statements are an integral part of this statement.

		<b>Governmental Activities- Internal Service Funds</b>	
<u>Total</u>			
\$	58,049,745	\$	5,189,761
	---		63,143,662
	(13,784,294)		(9,756,457)
	(50,719,523)		(1,063,515)
	---		(50,535,385)
	<u>(6,454,072)</u>		<u>6,978,066</u>
	9,277,264		379,009
	(4,751,983)		(992,737)
	(450,602)		---
	(149,398)		---
	<u>3,925,281</u>		<u>(613,728)</u>
	(310,543)		(41,978)
	5,751		---
	(69,119)		---
	<u>(267,049)</u>		<u>---</u>
	<u>(640,960)</u>		<u>(41,978)</u>
	<u>283,040</u>		<u>31,509</u>
	<u>283,040</u>		<u>31,509</u>
	(2,886,711)		6,353,869
	<u>12,727,878</u>		<u>22,350,186</u>
\$	<u>9,841,167</u>	\$	<u>28,704,055</u>
		(continued)	

**Proprietary Funds**  
**Statement of Cash Flows (continued)**  
**For the Year Ended June 30, 2005**

	<b>Business-type Activities Enterprise Funds</b>		
	<b>Consolidated Codes Enforcement Fund</b>	<b>Fire Services Fund</b>	<b>Corrections Center Fund</b>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating Income (loss)	<u>\$ (2,697,400)</u>	<u>\$ 1,936,823</u>	<u>\$ (8,932,536)</u>
Adjustments:			
Depreciation	249,058	307,377	1,063,267
Changes in assets and liabilities:			
Accounts payable and accrued liabilities	(312)	40,367	135,747
Sick and annual leave	(33,069)	(96,467)	(137,362)
Deferred revenue	23,834	---	---
Insurance claims payable	---	---	---
Deposits	8,100	---	---
Accounts receivable and accrued revenues	(48,377)	(32,606)	1,759,484
Inventories	---	---	---
Total adjustments	<u>199,234</u>	<u>218,671</u>	<u>2,821,136</u>
Net cash provided by (used in) operating activities	<u><u>\$ (2,498,166)</u></u>	<u><u>\$ 2,155,494</u></u>	<u><u>\$ (6,111,400)</u></u>
Noncash investing, capital, and financing activities:			
Increase in advance from General Fund		\$ 1,305,814	
Decrease in unrestricted fund equity		\$ (1,305,814)	
Assets received from Capital Projects Fund			\$ 471,025

The notes to the financial statements are an integral part of this statement.

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		<b>Governmental Activities- Internal Service Funds</b>
<u>Total</u>		
<u>\$ (9,693,113)</u>	<u>\$</u>	<u>8,743,030</u>
1,619,702		94,454
175,802		(140,731)
(266,898)		(153,340)
23,834		(65,594)
---		(1,517,140)
8,100		(120,638)
1,678,501		175,519
<u>---</u>		<u>(37,494)</u>
<u>3,239,041</u>		<u>(1,764,964)</u>
<u><u>\$ (6,454,072)</u></u>	<u><u>\$</u></u>	<u><u>6,978,066</u></u>

**Fiduciary Funds**  
**Statement of Fiduciary Net Assets**  
**June 30, 2005**

	Shelby County Retirement System	Constitutional Officers Agency Fund
Assets:		
Cash and cash equivalents	\$ 63,344,218	\$ 58,243,318
Investments:		
U.S. Government and agency obligations	78,263,209	---
Corporate bonds	132,773,514	---
Corporate stocks	440,897,950	---
Certificates of deposit	---	5,600,000
Other investments	123,089,607	---
Accounts receivable	---	728,108
Accrued interest and dividends receivable	2,634,624	---
Due from brokers - investment sales	2,055,270	---
	<u>\$ 843,058,392</u>	<u>\$ 64,571,426</u>
Liabilities:		
Accounts payable	\$ 1,220,942	\$ 90,854
Funds held for others	---	44,536,433
Due to brokers and others	6,496,159	---
Due to other governmental entities	---	19,944,139
	<u>7,717,101</u>	<u>\$ 64,571,426</u>
Net assets held in trust for pension benefits	<u>835,341,291</u>	
Total plan net assets	<u>835,341,291</u>	
Total liabilities and plan net assets	<u>\$ 843,058,392</u>	

The notes to the financial statements are an integral part of this statement

**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended June 30, 2005**

	<u>Shelby County Retirement System</u>
Additions:	
Contributions:	
Employer contributions	\$ 18,800,000
Member contributions	2,024,119
	<u>20,824,119</u>
Total contributions:	
	<u>20,824,119</u>
Investment income:	
Net appreciation in fair value of investments	42,741,186
Interest income	12,210,886
Dividend income	7,042,041
Other Income	507,031
	<u>62,501,144</u>
Total investment income	
	<u>62,501,144</u>
Less investment management expenses	3,940,122
	<u>3,940,122</u>
Net investment income	
	<u>58,561,022</u>
Net additions:	
	<u>79,385,141</u>
Deductions:	
Benefit payments	38,444,507
Administrative expenses	1,778,279
Refund of member contributions	2,415,264
	<u>42,638,050</u>
Total deductions:	
	<u>42,638,050</u>
Change in net assets	36,747,091
Net assets held in trust for pension benefits:	
June 30, 2004	<u>798,594,200</u>
June 30, 2005	<u>\$ 835,341,291</u>

The notes to the financial statements are an integral part of this statement

**Component Units**  
**Combining Statement of Net Assets**  
**June 30, 2005**

	Board of Education	Shelby County Health Care Corporation	Nonmajor Component Units	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 7,769,381	\$ 36,111,810	\$ 1,966,015	\$ 45,847,206
Investments	64,568,367	2,819,757	4,508,106	71,896,230
Receivables	525,836	36,322,213	1,049,979	37,898,028
Due from primary government	1,795,372	---	---	1,795,372
Due from other governments	13,619,605	---	---	13,619,605
Inventories	3,385,107	---	2,955	3,388,062
Other assets	---	4,072,237	36,760	4,108,997
Restricted and other investments	---	21,362,066	---	21,362,066
Capital assets, net	301,560,738	75,080,071	6,365,397	383,006,206
<b>Total Assets</b>	<b>\$ 393,224,406</b>	<b>\$ 175,768,154</b>	<b>\$ 13,929,212</b>	<b>\$ 582,921,772</b>
<b>Liabilities:</b>				
Accounts payable and accrued expenses	\$ 22,327,696	\$ 33,681,475	\$ 340,254	\$ 56,349,425
Insurance claims payable	2,629,467	---	---	2,629,467
Deferred revenue	671,627	---	186,885	858,512
Due to other agencies	4,887	---	---	4,887
Due to primary government	---	7,260,732	---	7,260,732
Long-term liabilities				
Due within one year	---	185,185	184,674	369,859
Due in more than one year	---	10,610,000	12,133	10,622,133
<b>Total Liabilities</b>	<b>25,633,677</b>	<b>51,737,392</b>	<b>723,946</b>	<b>78,095,015</b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	301,560,738	67,634,154	6,346,125	375,541,017
Restricted for:				
Student activities	4,152,875	---	---	4,152,875
Insurance claims	4,127,287	---	---	4,127,287
Building construction	---	2,502,733	---	2,502,733
Indigent care	---	1,252,797	---	1,252,797
Unrestricted	57,749,829	52,641,078	6,859,141	117,250,048
<b>Total Net Assets</b>	<b>367,590,729</b>	<b>124,030,762</b>	<b>13,205,266</b>	<b>504,826,757</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 393,224,406</b>	<b>\$ 175,768,154</b>	<b>\$ 13,929,212</b>	<b>\$ 582,921,772</b>

The notes to the financial statements are an integral part of this statement.

**Component Units**  
**Combining Statement of Activities**  
**For the Year Ended June 30, 2005**

			Program Revenues	
			Operating	Capital
	Expenses	Charges for	Grants and	Grants and
		Services	Contributions	Contributions
Board of Education				
Instruction programs	\$ 207,130,912	\$ ---	\$ 147,561,695	\$ ---
Support services	11,279,011	---	---	---
General administration	28,564,889	---	---	---
Operation and maintenance of plant	34,684,741	---	---	---
Student transportation	8,752,461	---	---	---
Food services	14,787,683	---	9,799,372	---
Student activities	10,704,142	---	11,135,301	---
Total Board of Education	315,903,839	---	168,496,368	---
Shelby County Health Care Corporation	287,719,360	253,884,966	---	---
Nonmajor component units	5,523,177	8,210,362	---	---
Total component units	\$ 609,146,376	\$ 262,095,328	\$ 168,496,368	\$ ---

General revenues:  
Shelby County  
Local sales tax  
Other sources  
Grants and contributions not restricted to specific programs  
Unrestricted investment earnings  
Transfer of assets to Memphis City Schools  
Total general revenues and transfers  
Changes in net assets  
Net assets - June 30, 2004, as restated  
Net assets - June 30, 2005

The notes to the financial statements are an integral part of this statement



Net (Expenses) Revenue and Changes in Net Assets			
Board of Education	Shelby County Health Care Corporation	Nonmajor Component Units	Total Component Units
\$ (59,569,217)	\$ ---	\$ ---	\$ (59,569,217)
(11,279,011)	---	---	(11,279,011)
(28,564,889)	---	---	(28,564,889)
(34,684,741)	---	---	(34,684,741)
(8,752,461)	---	---	(8,752,461)
(4,988,311)	---	---	(4,988,311)
431,159	---	---	431,159
(147,407,471)	---	---	(147,407,471)
---	(33,834,394)	---	(33,834,394)
---	---	2,687,185	2,687,185
(147,407,471)	(33,834,394)	2,687,185	(178,554,680)
110,573,651	31,366,667	---	141,940,318
38,775,666	---	---	38,775,666
5,593,329	3,290,849	425,276	9,309,454
---	---	---	---
---	12,474,955	83,413	12,558,368
(29,952,197)	---	---	(29,952,197)
124,990,449	47,132,471	508,689	172,631,609
(22,417,022)	13,298,077	3,195,874	(5,923,071)
390,007,751	110,732,685	10,009,392	510,749,828
\$ 367,590,729	\$ 124,030,762	\$ 13,205,266	\$ 504,826,757

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(A) Reporting Entity**

Shelby County, Tennessee (the County) is governed by an elected mayor and a thirteen member Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the County (the primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of a government's operations. The County has no blended component units. Each discretely presented component unit is reported in a separate column in the combining component unit financial statements (see notes below for descriptions) with combined totals in government-wide financial statements to emphasize that they are legally separate from the government. Each discretely presented component unit has a June 30 year-end and their separate financial statements are available as indicated below. The significant accounting policies followed by component units are generally the same as those followed by the primary government.

***Discretely Presented Component Units:******Major Component Units***

*Shelby County Board of Education (the Board of Education)* – The Board of Education includes all the public schools in Shelby County outside the City of Memphis, serving over 44,000 students. The Board of Education has a separately elected governing board but is fiscally dependent on the County. The County levies taxes for the Board's operation, approves its operating budget and issues debt for its capital projects. The operations of the Shelby County Board of Education are reported as a governmental component unit. Financial statements for the Board can be obtained from Shelby County Board of Education, 160 South Hollywood, Memphis, Tennessee 38112, (901) 321-2500.

*Shelby County Health Care Corporation, d/b/a Regional Medical Center at Memphis (The Med)* – The Med provides both inpatient and outpatient hospital services to residents of Shelby County and the surrounding area. The County Mayor appoints The Med Board of Directors and substantial funding is provided by the County. The Med is reported as a proprietary component unit. Financial statements for The Med can be obtained from Shelby County Health Care Corporation, C/O Regional Medical Center at Memphis, 877 Jefferson Avenue, Memphis, Tennessee 38103, (901) 545-8234.

***Other Component Units***

*Agricenter International, Inc.* – The purpose of the Agricenter is to promote educational and applied research endeavors intended for the improvement of agriculture by the establishment of one convenient location for exhibition, demonstration, research, education and meetings by agribusiness industry, related organizations, and government agencies. The County Mayor appoints the members of the Agri-Center Commission and some funding is provided by the County. Agricenter International, Inc. is reported as a proprietary component unit. Financial statements for the Agricenter can be obtained from Agricenter International, Inc., Suite 9, 7777 Walnut Grove Road, Memphis, Tennessee 38120, (901) 757-7777.

*Emergency Communications District of Shelby County, Tennessee, d/b/a Shelby County 9-1-1 District (the District)* – The District was established in 1984, pursuant to provisions of T.C.A. Title 7, Chapter 86 of the State of Tennessee. The District is responsible for establishing local emergency telephone service and a primary emergency telephone number for the residents of Shelby County. The District is governed by a nine-member board of directors, appointed by the County Mayor and approved by the County Board of Commissioners. The District's board has the authority to levy an emergency telephone service charge to be used to fund the operation of the District. The District must obtain County Commission approval before the issuance of most debt and the County Commission has the ability to adjust the District's service charges.

The District is reported as a proprietary component unit. Financial statements for the District can be obtained from Shelby County 9-1-1 District, 6470 Haley Road, Memphis, Tennessee 38134, (901) 380-3911.

**(B) Governmental Accounting Standards Board Statement No. 34 (GASBS No. 34)**

GASBS No. 34 *Basic Financial Statements-and Management Discussion and Analysis-for State and Local Governments* was implemented for the year ended June 30, 2002. The statement substantially changed the financial reporting of state and local governments, including the requirement of government-wide financial statements. This statement also requires the reporting of infrastructure (roads, bridges, etc.) as an asset beginning July 1, 2001. Retroactive reporting of infrastructure assets is required by the County's fiscal year ending June 30, 2006. Infrastructure assets acquired since July 1, 2001 are included in this report but infrastructure assets acquired prior to July 1, 2001 are not included.

**(C) Government-wide and Fund Financial Statements**

The government-wide financial statements - the statement of net assets and the statement of activities - report information on all of the nonfiduciary activities of the primary government and its component units. For the most part the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Similarly, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary (enterprise) funds are reported as separate columns in the fund financial statements.

**(D) Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except that agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon

enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, gross receipt taxes, sales taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

***The County reports the following major governmental funds:***

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the accumulation of resources for and the payment of principal, interest and related costs on long-term general obligation debt of governmental funds.

The *Capital Projects Fund* accounts for the acquisition and construction of major capital facilities and equipment. The primary funding source is bond proceeds.

The *Education Fund* accounts for tax collections allocated for school operations. Taxes are collected and allocated to the Shelby County Board of Education and the Board of Education of the Memphis City Schools based on average daily attendance.

The *Grants Fund* accounts for the receipt and expenditure of federal, state and local government grants and designated contributions to be used for approved programs.

***The County reports the following major proprietary (enterprise) funds:***

The *Consolidated Codes Enforcement Fund* accounts for the operations of the Memphis and Shelby County Office of Construction Codes Enforcement. Revenues are generated through permit and inspection fees charged by the office.

The *Fire Services Fund* accounts for operations of the Shelby County Fire Department. The Fire Department services the areas of Shelby County not within any municipality. Revenues are generated through fees charged to residents in the service area.

The *Corrections Center Fund* accounts for the operations of the Shelby County Corrections Center. Approximately 75% of the population at this facility are State prisoners. For State prisoners, the State reimburses the County's actual cost per prisoner day, including depreciation expense and indirect costs.

Private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent FASB guidance for their business-type activities and enterprise funds, subject to the same limitation. The County has elected not to follow subsequent FASB guidance.

Additionally, the County reports the following fund types:

*Internal Service Funds* are a separate category of proprietary funds. These funds account for telecommunications, mail services, printing, group health and life insurance, other employer insurance, and tort liability insurance provided to other departments and agencies of the County, or to other governments on a cost reimbursement basis.

The *Pension Trust Fund* is a fiduciary fund. It accounts for the activities of the County's retirement plan, which accumulates resources for pension payments to employees.

*Agency Funds* is also a fiduciary fund. It accounts for assets held by the County's constitutional officers and other elected officials in an agent capacity for governments, litigants, heirs and others. Agency funds are custodial in nature and do not involve measurement of results of operations.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Similarly, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales, services, and insurance. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources, as they are needed.

## **(E) Assets, Liabilities and Equity**

### *Deposits and Investments*

Cash and cash equivalents include cash on hand, demand deposits, savings accounts and short-term investments with maturities of three months or less at the time of purchase. The County pools substantially all of its cash and cash equivalents. Each fund participating owns a pro rata share in the pool. Investment earnings of the pool are allocated monthly to each fund based upon average balances.

Deposits with the State Treasurer's Local Government Investment Pool (LGIP) may be withdrawn with a maximum of one day's notice, are classified as cash equivalents and are valued at cost. The LGIP is not registered with the SEC as an investment company. However the LGIP has a policy that it will – and does – operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the State Treasurer to administer the LGIP under the same terms and conditions, including collateral requirements, as required for other funds invested by the Treasurer. The reported value of the pool is the same as the fair value of the pool shares.

Investments of the government as well as its component units are generally stated at fair value. Fair value is based on quoted market prices, if available, or estimated using quoted market prices for similar securities. The County uses amortized cost on all investments that mature within a year or less of the date of purchase. State statutes authorize the County to make direct investments in obligations of the U.S. Treasury, obligations issued or guaranteed by any U.S. Government agency, LGIP, bonds of any state or political subdivision, repurchase agreements, prime banker's acceptances and prime commercial paper. The maximum maturity is two years.

The Pension Trust Fund is authorized to invest in common and preferred stocks, corporate bonds rated B3 or better, commercial paper rated A2/P2 or better, real estate, venture capital investments, co-mingled investment funds, and call option writing programs. Investment parameters require that no more than 70% of total investments be in stock, no more than 5% in real estate, and no more than 12% in international equities. The Board of Administration has also authorized investments in limited partnerships.

#### *Receivables and Payables*

Property taxes are recorded as revenues in the fiscal year for which levied. Property taxes based on property values during the current fiscal year but levied for the next fiscal year are recorded as receivables and deferred revenue. Allowances for doubtful accounts are maintained for receivables which historically experience uncollectible accounts.

#### *Inventories and Prepaid Items*

Inventories are valued at cost on a first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### *Capital Assets*

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost greater than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair market value at the date of donation. Infrastructure assets do not include such assets acquired prior to July 1, 2001.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	10
Buildings	40
Equipment	3-20
Infrastructure	50

#### *Deferred Revenue*

Deferred revenue includes amounts that were unearned and amounts that were receivable and measurable at year-end but were not available to finance expenditures for the current year. Deferred revenues primarily include unearned or unavailable revenues from property taxes, operating subsidies received in advance and notes receivable.

Government-wide financial statements include only unearned revenue but governmental funds may include both unearned and unavailable revenue.

#### *Claims and Judgments*

Claims and judgments which can be reasonably estimated and could result in probable material losses to the County have been given proper recognition under U.S. generally accepted accounting principles. For governmental funds and similar fund types, the liability is recognized within the applicable fund if it is expected to be liquidated with expendable, available financial resources. All other material unpaid claims and judgments are recorded as a liability in the governmental activities of the primary government. In proprietary and similar fund types, probable and measurable loss contingencies are recorded as incurred within the applicable fund.

#### *Landfill Postclosure Care Costs*

State and federal laws and regulations require the County to perform certain maintenance and monitoring functions for thirty years after closure of its landfill sites. The \$3.64 million reported as postclosure care liability at June 30, 2005 represents the estimated postclosure care costs that have not been paid for the Walnut Grove and Shake Rag Road landfills. The estimate is based on what it would cost to perform all postclosure care as of the end of FY 2005. Actual future costs may differ due to inflation, changes in technology, or changes in regulations. The landfills have been closed and the County has no landfills currently in operation. No County assets are restricted for landfill closure costs. However, the County has entered into a surety contract in lieu of a performance bond as a commitment to comply with the terms set forth in its 30 year post-closure maintenance plan for the Shake Rag Road landfill. This surety contract is with the State of Tennessee under the State's cooperative agreement with the Environmental Protection Agency (EPA). There is no surety contract pertaining to the Walnut Grove landfill.

#### *Compensated Absences*

County employees are granted sick and annual leave in varying amounts in accordance with administrative policies and union memorandums of understanding. Accumulated vacation days are required to be used annually, with a maximum accumulation of one and one-half times the amount of leave an employee can earn in a year. In the event of termination or retirement, the employees are paid for accumulated vacation days. Generally, employees are paid for accumulated sick leave, not to exceed the lesser of 75 days or \$5,772, only upon retirement. Certain exceptions to this policy occur in accordance with the terms of various union agreements.

All sick and annual pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### *Long-term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.



*Fund Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

*Interest Rate Swaps*

Shelby County has entered into several interest rate swap agreements to modify interest rates on outstanding debt. Amounts received to enter swap agreements are recorded as revenue in the Debt Service Fund. In the government-wide financial statements, such amounts are amortized over the life of the swap agreement. These agreements provide for net interest payments to or from the County which are also recorded in the Debt Service Fund.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS****(A) Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." Internal service funds include \$4,096,061 of long-term liabilities and are not part of this reconciling amount. The details of this \$1,611,411,244 are as follows:

Bonds payable	\$ 1,537,189,948
Accreted value on bonds	31,921,478
Net premium and issuance cost on bonds issued	14,522,807
Claims and judgements	5,000,522
Compensated absences	19,137,543
Landfill post-closure	<u>3,638,946</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 1,611,411,244</u>

**(B) Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense."

The details of this \$20,736,073 difference are as follows:

Capital outlay	\$ 31,567,472
Depreciation expense	<u>(10,831,399)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 20,736,073</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while repayments of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$49,911,149 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ 407,165,000
Premium on debt issued, net of issuance costs and amortization	2,977,876
Accretion of zero coupon bonds	(6,588,972)
Change in accrued interest expense	(692,596)
Change in deferred swap proceeds	(1,799,182)
Principal repayments:	
General obligation debt	(57,560,007)
Refunding	<u>(393,413,268)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (49,911,149)</u>

### III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### (A) Budgetary Information

The revenues and expenditures accounted for in each of the General Fund, Special Revenue Funds and Debt Service Fund have legally adopted budgets and are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements that govern County operations. The County Board of Commissioners approves and appropriates the budgets for these funds annually.

Expenditures may not exceed appropriations by line item at the department level. The County mayor is authorized to transfer budgeted amounts between line items of the same category (personnel related versus all other types of expenditures) of the same division (group of departments). Any adjustments that create a new line item, increase the total budget, or require transfers between divisions or categories must be approved by the County Board of Commissioners. The reported budgetary data has been revised for amendments authorized during the year and thereafter.

All funds requiring legally adopted budgets have budgets which are adopted on a basis consistent with U.S. generally accepted accounting principles. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital projects funds. Encumbrances represent significant commitments related to unperformed purchase orders, contracts, or other commitments for goods or services. Encumbrance accounting -

under which purchase orders, contracts, and other commitments for future expenditures of funds are recorded in order to reserve that portion of the applicable appropriation - is utilized in the governmental funds during the year to facilitate effective budgetary control. Encumbrances outstanding at year-end are reported as reservations of the applicable fund balances but do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

### **(B) Deficit Fund Equity**

The deficit in the Capital Projects Fund of \$136,651,444 results from the use of short-term debt (notes payable of \$141,000,000 as of June 30, 2005) to fund capital projects, pending the issuance of long-term debt.

The Fire Services Fund, an enterprise fund, reduced its net assets deficit during 2005 by \$1,158,386 to \$340,601 at June 30, 2005. This deficit is expected to be eliminated in 2006.

The Employer Insurance Fund, an internal service fund, has deficit net assets at June 30, 2005 of \$3,114,027. The fund incurs long-term claims that are recognized as liabilities, however, they will be funded on a current basis. The long-term portion of these claims was \$4,024,859 at June 30, 2005. Also, premiums have been increased and other steps have been taken which reduced the deficit net assets by \$780,747 in 2005 and are expected to continue to reduce this deficit.

## **IV. DETAILED NOTES ON ALL FUNDS**

### **(A) Deposits and Investments**

Bank deposits and certificates of deposit of the County, consistent with State statutes, are covered by federal depository insurance (FDIC) or are collateralized by a multiple financial institution collateral pool administered by the Treasurer of the State of Tennessee. On limited occasions the County may have deposits with financial institutions that do not participate in the State collateral pool; in these instances separate collateral equal to at least 105% of the uninsured deposit is collateralized and held in the County's name by a third party. These provisions covered all County deposits at year-end.

The County, including agency funds but excluding the retirement system, had the following investments at June 30, 2005. All investments mature in one year or less and are valued at cost, amortized cost, or fair value as disclosed in Note I (E) above:

U.S. Government agency securities	\$ 1,987,414
Commercial paper	5,947,230
Tennessee Local Government Investment Pool (LGIP)	<u>112,604,036</u>
Total investments for disclosure purposes	\$ 150,538,680
Add certificates of deposit reported as investments	39,488,000
Less commercial paper and LGIP reported as cash equivalents	<u>( 148,551,266)</u>
Total investments per financial reports	<u>\$ 41,475,414</u>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Both State statutes and the County's investment policy limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Both State statutes and the County's investment policy limit permissible investments or impose collateral and custody provisions as specified above or in Note I (E) to significantly limit credit risk. By policy investments in commercial paper must be rated A1/P1 by at least two

rating services. Although the LGIP itself is unrated, its types of investments and maturities provide a similar level of credit risk.

*Shelby County Retirement System (Fiduciary Fund).* At June 30, 2005 the Retirement System had deposits of \$63,512,407 that were not insured and were uncollateralized. At June 30, 2005 the Retirement System reported the following investments with carrying amounts as shown:

U.S. Government and government-backed obligations	\$ 78,263,209
Corporate bonds	132,773,514
Common stocks	440,897,950
Common stocks held in a collective trust	26,658,039
Limited partnership interests	20,128,298
Hedge funds	<u>76,303,270</u>
Total investments	<u>\$775,024,280</u>

The fair values of fixed income investments grouped by maturity at June 30, 2005 are as follows:

Current to one year	\$ 34,706,645
One to two years	10,046,042
Two to three years	4,482,285
Three to four years	10,751,453
Four to five years	13,862,728
Five years or more	<u>137,187,570</u>
Total	<u>\$211,036,723</u>

At June 30, 2005 the Retirement System had \$66,872,156 of investments with exposure to foreign currency risk.

The above information was taken from the publicly available financial report of the Retirement System for the year ended June 30, 2005. The report includes more information on the credit quality of investments in fixed income debt securities and the investments with foreign currency risk. The report may be obtained from the Shelby County Retirement System, Suite 950, 160 N. Main Street, Memphis, Tennessee 38103.

### **(B) Property Taxes Receivable**

Property taxes attach an enforceable lien on property on January 1 of each year. The various types of property are assessed at a percentage of market value as follows:

Farm and residential real property	25%
Commercial/industrial real property	40%
Commercial/industrial tangible personal property	30%
Commercial/industrial intangible personal property	40%
Public utilities real/personal property	55%

The assessed value on which the fiscal 2005 tax bills were based was \$15,156,208,029. The estimated market value was \$51,388,472,610, making the overall assessed value 29.5% of the estimated market value. Taxes are due October 1 and delinquent March 1 of the following year. Current tax collections for the year were 94.78% of the tax levy. The property tax levy has no legal limit. The rate, as permitted by Tennessee state law and County charter, is set annually on or after July 1, by the County Board of Commissioners and collected by the County

Trustee. The County allocated the property tax per \$100 of the assessed value as follows:

General fund	\$ 1.31
Debt service funds	.70
Boards of education	<u>2.03</u>
Countywide tax rate	<u>\$ 4.04</u>
Debt service - rural school bonds	<u>\$ .05</u>

The \$0.05 for debt service on rural school bonds only applies to properties outside the City of Memphis.

Property taxes receivable as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Education Fund	Debt Service Fund	Total
Property taxes receivable	\$ 220,886,891	\$ 361,305,032	\$ 144,409,527	\$ 726,601,450
Less allowance for uncollectibles	(13,894,582)	(21,383,424)	(7,935,167)	(43,213,713)
	<u>\$ 206,992,309</u>	<u>\$ 339,921,608</u>	<u>\$ 136,474,360</u>	<u>\$ 683,388,277</u>

Note IV(G) includes detail of deferred revenue relating to property taxes.

### (C) Notes Receivable

Notes receivable consist of the following:

	Amount	Collateral
<i>General Fund</i>		
Property loans receivable due in various installments at 6.5% interest through 2005	<u>\$ 373,994</u>	Land & Building
<i>Grants Fund</i>		
Mortgage loans receivable due in various installments at 0% to 5.0% interest through 2019	<u>\$ 595,727</u>	Land & Building
<i>Capital Projects Fund</i>		
Mid South Coliseum note due in annual installments of \$21,993 including interest at 6.26% through 2014	\$ 159,889	None
Depot Redevelopment note due in annual payments plus semi-annual interest payments through August 1, 2022	3,415,000	None
Rock-N-Soul Museum note due in 10 annual installments of \$100,000 plus interest at 5.00% through August 31, 2010	1,000,000	None
Less: Allowance for doubtful accounts	<u>(1,000,000)</u>	
Total Capital Projects Fund	<u>\$ 3,574,889</u>	
<i>Debt Service Fund</i>		
Mortgage loans receivable due in various monthly installments at interest rates ranging from 3.125% to 8.375% through 2020	<u>\$ 9,191,636</u>	Land & Building

In fiscal 2002 an allowance for doubtful accounts was established in the amount of \$1,000,000 for the Rock-N-Soul Museum.

Note IV(G) includes details of deferred revenue relating to notes receivable. The Debt Service Fund and the Capital Projects Fund have notes receivable from Shelby County Health Care Corporation in the amounts of \$3,905,886 and \$3,354,846 respectively, which are classified as due from component units for financial statement purposes.

#### (D) Leases Receivable

The County leases certain real property described as Shelby Place Restaurant ("Butcher Shop of Cordova and Executive Chef") for the sum of \$192,500 annually, plus additional rent of 5% of gross sales less taxes after recoupment of base rent and in lieu of tax payments. The term of the lease commenced on March 1, 1993. There are three additional option terms of five years each available. The option term currently in effect will expire in 2008. The rental income is recognized as revenue in the Debt Service Fund. Executive Chef has entered bankruptcy. At June 30, 2005 they owed \$87,125 for which an allowance for doubtful accounts has been provided.

#### (E) Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2005 is detailed below.

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 10,704,527	\$ 1,051,733	\$ (1,551,827)	\$ 10,204,433
Construction in progress	42,980,947	24,674,609	(24,567,902)	43,087,654
Total not being depreciated	<u>53,685,474</u>	<u>25,726,342</u>	<u>(26,119,729)</u>	<u>53,292,087</u>
Capital assets being depreciated:				
Land improvements	1,176,683	56,892	---	1,233,575
Buildings	189,078,513	11,071,666	(236,828)	199,913,351
Equipment	64,285,196	9,738,379	(17,720,816)	56,302,759
Infrastructure	23,058,964	11,557,206	---	34,616,170
Total being depreciated	<u>277,599,356</u>	<u>32,424,143</u>	<u>(17,957,644)</u>	<u>292,065,855</u>
Less accumulated depreciation:				
Land improvements	523,638	96,295	---	619,933
Buildings	66,361,851	4,811,675	(122,089)	71,051,437
Equipment	51,707,729	3,633,336	(17,054,484)	38,286,581
Infrastructure	2,915,636	2,290,093	---	5,205,729
Total accumulated depreciation	<u>121,508,854</u>	<u>10,831,399</u>	<u>(17,176,573)</u>	<u>115,163,680</u>
Total capital assets being depreciated, net	<u>156,090,502</u>	<u>21,592,744</u>	<u>(781,071)</u>	<u>176,902,175</u>
Governmental activities capital assets, net	<u>\$ 209,775,976</u>	<u>\$ 47,319,086</u>	<u>\$ (26,900,800)</u>	<u>\$ 230,194,262</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Business type activities:</i>				
Capital assets being depreciated:				
Buildings	\$ 46,453,472	\$ 466,180	\$ ---	\$ 46,919,652
Equipment	9,022,417	773,350	(2,020,722)	7,775,045
Total being depreciated	<u>55,475,889</u>	<u>1,239,530</u>	<u>(2,020,722)</u>	<u>54,694,697</u>
Less accumulated depreciation:				
Buildings	18,812,247	1,045,901	---	19,858,148
Equipment	6,752,949	573,801	(1,465,291)	5,861,459
Total accumulated depreciation	<u>25,565,196</u>	<u>1,619,702</u>	<u>(1,465,291)</u>	<u>25,719,607</u>
Business-type activities capital assets, net	<u>\$ 29,910,693</u>	<u>\$ (380,172)</u>	<u>\$ (555,431)</u>	<u>\$ 28,975,090</u>

Depreciable land improvements consist of parking lots attached to the Sheriff Department Training Center and the Juvenile Court building.

A summary of governmental capital assets, net and depreciation expense by function follows:

	Capital Assets, Net	Depreciation Expense
Governmental activities:		
General government	\$ 32,738,961	\$ 2,987,784
Planning & development	27,259	33,432
Public works	102,867,405	4,343,746
Corrections	397,850	34,487
Health services	4,901,112	428,363
Community services	2,054,715	112,229
Law enforcement	36,439,803	1,928,714
Judicial	6,696,638	582,825
Other elected officials	982,865	379,819
	<u>187,106,608</u>	<u>10,831,399</u>
Construction in progress	43,087,654	---
Total governmental activities	<u>\$ 230,194,262</u>	<u>\$ 10,831,399</u>

Substantially all capital assets purchased are funded from general governmental revenues, exclusive of any grants or other special revenues.

#### (F) Lease Obligations

##### *Operating Leases*

The County leases office space and transportation equipment under operating leases expiring during the next six years. The following is a schedule by years of future minimum rental payments required under operating leases

that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2005:

<u>Fiscal Year</u>	<u>Primary Government</u>
2006	\$ 1,787,114
2007	996,581
2008	785,207
2009	719,284
2010	671,735
2011	359,629
	<u>\$ 5,319,550</u>

Rent expense for the year ended June 30, 2005 was \$1,967,661 for the primary government.

#### *Capital Lease*

The County has a capital lease to acquire three Emergency One C550 Typhoon Pumper trucks for the Fire Services Fund, a business-type activity, at a cost of \$863,307. Annual payments, including interest, will be \$110,990 for each of the next nine fiscal years. The principal balance outstanding at June 30, 2005 is \$794,188.

#### **(G) Deferred Revenue**

Deferred revenues consist of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Education Fund</u>	<u>Grants Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
Unearned:						
Property taxes receivable	\$ 193,000,000	\$ 129,365,000	\$ 319,525,000	\$ ---	\$ ---	\$ 641,890,000
Grant revenue	---	---	---	2,779,429	---	2,779,429
Not Available:						
Property taxes receivable	13,002,678	6,576,315	18,867,848	---	---	38,446,841
Notes receivable	373,994	9,191,636	---	595,727	3,574,889	13,736,246
Due from Shelby County Health Care Corporation	---	3,905,886	---	---	3,354,846	7,260,732
Other	807,086	---	---	---	51,999	859,085
	<u>\$ 207,183,758</u>	<u>\$ 149,038,837</u>	<u>\$ 338,392,848</u>	<u>\$ 3,375,156</u>	<u>\$ 6,981,734</u>	<u>\$ 704,972,333</u>

Internal service funds have deferred revenue of \$3,399,767 for unearned premiums. The proprietary Consolidated Codes Enforcement Fund has deferred revenue of \$74,280 for building permits and licensing fees paid in advance.



**(H) Debt and Long-term Liabilities**Changes in short term debt:

The County has two types of short-term debt. Tax anticipation notes (TANS) are issued for short-term cash flow requirements due to the timing of property tax collections. Extendible Municipal Commercial Paper (EMCP) notes are issued to fund capital projects; the notes are paid when long-term bonds are issued. Following is a schedule of short-term debt for the current fiscal year:

	Balance June 30, 2004	Additions	Reductions	Balance June 30, 2005
2004 TANS	\$ ---	\$ 94,900,000	\$ (94,900,000)	\$ ---
2004 EMCP	39,500,000	71,500,000	---	111,000,000
2005 EMCP	---	30,000,000	---	30,000,000
Total	<u>\$ 39,500,000</u>	<u>\$ 196,400,000</u>	<u>\$ (94,900,000)</u>	<u>\$ 141,000,000</u>

Changes in long-term liabilities:

Changes in long-term liabilities during the year were:

	Balance June 30, 2004	Additions	Reductions	Balance June 30, 2005	Due Within One Year
Governmental activities:					
Bonds payable	\$ 1,619,508,673	\$ 407,165,000	\$ (457,562,247)	\$ 1,569,111,426	\$ 66,121,130
Net premium and issuance					
cost of bonds issued	11,544,931	33,199,237	(30,221,361)	14,522,807	2,199,648
Deferred swap proceeds	1,799,182	---	(1,799,182)	---	---
Claims and judgements	10,084,323	367,811	(1,426,753)	9,025,381	57,597
Landfill postclosure care costs	3,683,144	---	(44,198)	3,638,946	53,627
Sick and annual leave	17,780,013	10,948,000	(9,519,268)	19,208,745	11,454,447
Total governmental activities	<u>\$ 1,664,400,266</u>	<u>\$ 451,680,048</u>	<u>\$ (500,573,009)</u>	<u>\$ 1,615,507,305</u>	<u>\$ 79,886,449</u>
Business-type activities:					
Capitalized lease obligations	863,307	---	(69,119)	794,188	110,989
Sick and annual leave	4,539,115	1,975,077	(2,241,975)	4,272,217	2,536,428
Total business-type activities	<u>\$ 5,402,422</u>	<u>\$ 1,975,077</u>	<u>\$ (2,311,094)</u>	<u>\$ 5,066,405</u>	<u>\$ 2,647,417</u>

General obligations bonds:

These obligations are direct general obligations of the County, are backed by its full faith and credit and the unlimited taxing power of the County and represent borrowings for the following:

General government	\$ 655,741,605
Education	<u>881,448,343</u>
	1,537,189,948
Accreted value of bonds	<u>31,921,478</u>
	<u>\$ 1,569,111,426</u>

Interest expense in the Debt Service Fund during the fiscal year ended June 30, 2005 was \$66,695,921.

In addition to the general obligation bonds reported in long-term debt there is \$141,000,000 reported in the Capital Projects Fund for the Extendible Municipal Commercial Paper Notes (EMCP) sold and outstanding as of June 30, 2005 (\$111,000,000 for the 2004A EMCP Program and \$30,000,000 for the 2005A EMCP Program).

The County defeased certain bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service requirements on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. Of the original principal, \$431,855,000 of outstanding bonds that were advance refunded prior to Fiscal Year 2005 are considered defeased at June 30, 2005. Specific defeased maturities are shown on the combining and other statements and schedules for General Obligation Bonds.

In March 2005 \$407,165,000 in General Obligation Refunding Bonds, Series 2005 A were issued to refund specific maturities of the 1995 Series A Refunding Bonds, the cost of certain termination fees relative to the termination of swaptions executed by the County on December 18, 1998 and May 23, 2003 with respect to the anticipated refunding of a portion of the County's 1995 Series A Refunding Bonds, and to refund a portion of the 1992 Series A Public Improvement Bonds, 1992 Series A School Bonds, 1996 Series A Public Improvement Bonds, 1996 Series A School Bonds, 1996 Series B Public Improvement Bonds, 1999 Series A Public Improvement and School Bonds, 1999 Series B Public Improvement and School Bonds, 2000 Series A Public Improvement and School Bonds, 2001 Series A Public Improvement and School Bonds and 2003 Series A Public Improvement and School Bonds. The net proceeds were used to purchase direct obligations of the U.S. Government, which were deposited into an irrevocable trust with an escrow agent. The effect of this transaction was to refinance existing debt at a lower rate and generate an economic gain of \$15,293,541. The 2005 Series A General Obligation Refunding Bonds dated March 10, 2005 redeemed four zero coupon bonds. Due to the refunding, the aggregate accretion value decreased by \$6,588,972.

In April 2005 the Shelby County Board of Commissioners authorized the issuance of up to \$275,000,000 in Capital Outlay Extendible Municipal Commercial Paper (EMCP) Notes, 2005 Series A Program. The aggregate outstanding principal amount may not exceed \$275,000,000 at any time. The Notes will be issued in anticipation of the County's issuance of certain general obligation bonds and general obligation school bonds in aggregate principal amount not exceeding \$275,000,000 for the purpose of funding various public works and school projects. The general obligation bonds are expected to retire the Notes within two years of the initial issuance of the Notes. The original maturity date will range from 1 to 90 days from the original issue date of each Note. On the original maturity date of a note, the County has the option to extend the maturity date to the date that is 270 days after the date of original issuance of such note. As of June 30, 2005, Shelby County has issued \$30,000,000 in EMCP Notes under this program.

The County is indebted for serial bonds and capital appreciation bonds and notes and variable bonds with interest rates varying from 2.50% to 6.75%. In the Debt Service Fund the County does not accrue interest on bonds payable; therefore, unmatured interest is recognized as an expenditure when due.

All unmatured interest which is due in future years is disclosed in the table below. The County has no legal debt limit. Debt service requirements for principal and interest in future years, using the actual rate on fixed rate bonds and notes and 4.115% for the 1999 Series A Variable Demand Refunding Bonds, 6.035% for the 2000 Series A General Obligation Weekly Adjustable/Fixed Rate Bonds Refunding, 5.345% for the 2001 Series A General Obligation Weekly Adjustable/Fixed Rate Bonds and 3.041% for the 2004 Series B General Obligation Variable Rate Demand Public Improvement and school bonds, are as follows:

Years Ending June 30	Principal	Interest	Total
2006	\$ 66,121,117	\$ 70,608,943	\$ 136,730,060
2007	70,554,550	67,044,562	137,599,112
2008	73,970,650	63,741,638	137,712,288
2009	78,368,150	60,019,241	138,387,391
2010	85,125,000	52,644,309	137,769,309
2011	89,745,000	48,591,239	138,336,239
2012	74,806,807	59,981,589	134,788,396
2013	69,109,649	62,352,458	131,462,107
2014	80,452,657	45,910,599	126,363,256
2015	80,667,794	42,596,562	123,264,356
2016	76,153,077	35,351,654	111,504,731
2017	69,075,497	36,502,872	105,578,369
2018	79,615,000	25,476,314	105,091,314
2019	79,945,000	21,819,242	101,764,242
2020	73,435,000	18,361,586	91,796,586
2021	64,505,000	15,158,922	79,663,922
2022	60,180,000	12,307,117	72,487,117
2023	58,140,000	9,697,878	67,837,878
2024	55,015,000	7,231,244	62,246,244
2025	34,940,000	4,932,314	39,872,314
2026	23,305,000	3,772,528	27,077,528
2027	25,545,000	2,937,668	28,482,668
2028	28,005,000	2,023,774	30,028,774
2029	20,245,000	1,027,577	21,272,577
2030	20,165,000	437,984	20,602,984
	1,537,189,948	770,529,814	2,307,719,762
Accreted value of Bonds	31,921,478	(31,921,478)	---
	<u>\$ 1,569,111,426</u>	<u>\$ 738,608,336</u>	<u>\$ 2,307,719,762</u>

Interest rate swap agreements:

As of June 30, 2005 Shelby County has eight interest rate swap agreements, described as follows:

***Swap One, Executed with Morgan Guaranty Trust Company on 12/18/1998 in connection with the General Obligation Weekly Adjustable/Fixed Rate Refunding Bonds, 2000 Series A:***

***Swap Objectives:*** Shelby County (the "County") received an upfront payment from the Counterparty for entering into a swaption. This swaption gave the Counterparty the option to cause the County to enter into a swap in which the County would pay a fixed rate and receive a floating rate. Upon exercise of the option, the County would currently refund a portion of its 1992 Series A Refunding Bonds with variable rate bonds and enter into a fixed payer swap.

*Swap Terms:*

Trade Date	Option Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index	Upfront Cash Payment
12/18/1998	11/30/1999	12/2/1999	3/1/2008	\$16,600,000	6.035%	BMA	\$ 1,275,000

On 12/18/1998, the County received \$1,275,000 for granting the Counterparty, Morgan Guaranty Trust Company (Morgan), the right to enter into a swap on a future date. In 1998, this payment represented the present value savings of the refunding as of 1999. Morgan had the right to exercise the option by notifying the County on 11/30/1999. The option was exercised and the swap began on 12/2/1999 with the County paying 6.035% and receiving the Bond Market Association Municipal Swap Index (BMA) until 3/1/2008, the maturity date of the bonds. The swap and refunding bonds had the same original notional amount of \$16,600,000 and have the same principal amortization.

*Fair Value of Swap Option:* As of 6/30/2005, there is no fair value for the option because it has been exercised. The swap, as of 6/30/2005, has a net value of (\$353,500). This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

*Associated Debt and Swap Payments:* This swap is in conjunction with the General Obligation Weekly Adjustable/Fixed Rate Refunding Bonds, 2000 Series A that refunded the 1992 Series A Bonds. Below are the principal and interest requirements of the debt and the net swap payments as of 6/30/2005 (assuming BMA equals its current level of 2.28% for the term of the swap). The net swap payments will fluctuate as BMA changes.

Fiscal Year Ending June 30	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2006	\$ 2,200,000	\$ 158,601	\$ 262,850	\$ 2,621,451
2007	2,300,000	108,853	180,240	2,589,093
2008	2,500,000	56,844	93,719	2,650,563
Total	\$ 7,000,000	\$ 324,298	\$ 536,809	\$ 7,861,107

*Credit Risk:* Because the swap has a negative value on 6/30/2005, the County does not have credit risk to Morgan. However, if swap rates increase and the fair value of the swap moves in favor of the County, credit risk would be present. The current ratings of Morgan are Aa2/AA by Moody's and Standard & Poor's, respectively.

*Termination Risk:* If the swap has an unanticipated termination and the swap has a negative fair value due to a decline in swap rates, the County may owe a termination payment to Morgan equal to the fair value of the swap at that time.

*Interest Rate Risk:* Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity, the County will have interest rate risk associated with the outstanding variable rate bonds until maturity in March 2008.

*Basis Risk:* The swap exposes the County to basis risk if there is not a direct relationship between the floating rate received from the Counterparty and the rate at which the variable rate bonds remarket. Basis risk is present if the

County's bonds remarket higher than BMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be realized.

***Swap Two, Executed with Morgan Guaranty Trust Company on 12/18/1998 in connection with the General Obligation Weekly Adjustable Fixed Rate Refunding Bonds, 2001 Series A:***

*Swap Objective:* The County received an upfront payment from the Counterparty for entering into a swaption. This swaption gave the Counterparty the option to cause the County to enter into a swap in which the County would pay a fixed rate and receive a floating rate. Upon the Counterparty's exercise of the option, the County would currently refund a portion of its 1992 Series B and 1993 Series A G.O. Refunding Bonds with variable rate bonds and enter into a fixed payer swap.

*Swap Terms:*

Trade Date	Option Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index	Upfront Cash Payment
12/18/1998	11/29/2000	12/1/2000	3/1/2011	\$21,800,000	5.345%	BMA	\$ 1,025,000

On 12/18/1998, the swaption was executed and the County received \$1,025,000 for granting the Counterparty, Morgan Guaranty Trust Company (Morgan), the right to enter into a swap on a future date. In 1998, this payment represented the present value savings of the refunding as of 12/1/2000. Morgan had the right to exercise the option by notifying the County on 11/29/2000. The option was exercised and the swap began on 12/1/2000 with the County paying 5.345% and receiving BMA until 3/1/2011, the maturity date of the bonds. The swap and refunding bonds had the same original notional amount of \$21,800,000 and have the same principal amortization.

*Fair Value of Swap and Option:* As of 6/30/2005, there is no fair value for the option because it has been exercised. The swap, as of 6/30/2005, has a net value of (\$1,407,720). This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

*Associated Debt and Swap Payments:* This swap is in conjunction with the General Obligation Weekly Adjustable/Fixed Rate Refunding Bonds, 2001 Series A which refunded a portion of the 1992 Series B Bonds and 1993 Series A Bonds. As of 6/30/2005, below are the principal and interest requirements of the debt and the net swap payments (assuming BMA equals its current level of 2.28% for the term of the swap). The net swap payments will fluctuate as BMA changes.

Fiscal Year Ending June 30	Variable Rate Bonds		Net Swap Payments		Total
	Principal	Interest			
2006	\$ 2,300,000	\$ 377,768	\$ 511,855	\$ 3,189,623	
2007	1,100,000	325,759	441,360	1,867,119	
2008	1,100,000	300,885	406,814	1,807,699	
2009	1,200,000	275,874	373,930	1,849,804	
2010	1,200,000	248,739	337,150	1,785,889	
2011	9,800,000	221,604	300,370	10,321,974	
Total	<u>\$ 16,700,000</u>	<u>\$ 1,750,628</u>	<u>\$ 2,371,479</u>	<u>\$ 20,822,107</u>	

**Credit Risk:** Because the swap has a negative value on 6/30/2005, the County does not have credit risk to Morgan. However, if swap rates increase and the fair value of the swap moves in favor of the County, credit risk would be present. The current ratings of Morgan are Aa2/AA by Moody's and Standard & Poor's, respectively.

**Termination Risk:** If the swap has an unanticipated termination and the swap has a negative fair value due to a decline in swap rates, the County may owe a termination payment to Morgan equal to the fair value of the swap at that time.

**Interest Rate Risk:** Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity, the County will have interest rate risk associated with the variable rate bonds until maturity in March 2011.

**Basis Risk:** The swap exposes the County to basis risk if there is not a direct relationship between the floating rate received from the Counterparty and the rate at which the variable rate bonds remarket. Basis risk is present if the County's bonds remarket higher than BMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be realized.

**Swap Three, Executed with Goldman Sachs Mitsui Marines Derivative Products on 1/15/1999 in connection with the 1999 Series A G.O. Variable Rate Demand Refunding Bonds:**

**Swap Objective:** In order to lower its borrowing cost, the County entered into a swap in connection with its 1999 Series A G.O. Variable Rate Demand Refunding Bonds. The variable rate bonds were issued to advance refund a portion of various outstanding G.O. bonds issues. At the time, the synthetic fixed rate swap was favorable when compared to savings that could be achieved with a traditional fixed rate refunding bond issue. Additionally, the County entered into this tax language swap to effectively lower the fixed rate it would pay on the swap.

**Swap Terms:**

Trade Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index
1/15/1999	1/28/1999	4/1/2020	\$ 96,150,000	4.115%	Actual Bond Rate or Alternative Index (1)

(1) under certain circumstances

On 1/28/1999 the swap became effective at the same time the 1999 Series A G.O. Variable Rate Demand Refunding Bonds were issued. Under the terms of the swap, until 1/1/2007, the County pays 4.115% to the Counterparty, Goldman Sachs Mitsui Marines Derivative Products, LP, (Goldman), and in return receives the Actual Bond Rate or an Alternative Index. If certain events occur, Goldman has the option to cause the Floating Rate Index to be converted from the Actual Bond Rate to the Alternative Index, or vice versa. The Alternative Index is the BMA index. Beginning 1/1/2007 until maturity, the County will continue to pay 4.115%. However, the County will receive 76.6% of LIBOR. The swap and refunding bonds had the same original notional amount of \$96,150,000 and have the same principal amortization and maturity.

**Fair Value of Swap:** As of 6/30/2005, the swap had a negative fair value of (\$4,528,223), assuming Goldman pays the County the Actual Bond Rate until maturity. This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

*Associated Debt and Swap Payments:* This swap is in conjunction with the 1999 Series A G.O. Variable Rate Demand Refunding Bonds that advance refunded portions of several bond issues. As of 6/30/2005, below are the principal and interest requirements of the debt and the net swap payments. The cash flows below assume that BMA equals its current level, as of 6/30/2005, of 2.28% and 1 month LIBOR or equals its current level of 3.34% for the term of the swap, and Goldman pays the Actual Bond Rate to the County of BMA plus 5 basis points until 1/1/2007 when Goldman will pay the County 76.6% of 1 month LIBOR. The net swap payments will fluctuate as BMA, LIBOR, and the Actual Bond Rate change.

Fiscal Year Ending June 30	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2006	\$ 125,000	\$ 2,175,704	\$ 1,704,675	\$ 4,005,379
2007	150,000	2,172,862	1,648,721	3,971,583
2008	16,225,000	2,169,451	1,475,560	19,870,011
2009	625,000	1,798,508	1,229,682	3,653,190
2010	675,000	1,784,297	1,219,954	3,679,251
2011	9,650,000	1,768,949	1,209,447	12,628,396
2012	13,325,000	1,549,532	1,054,469	15,929,001
2013	9,300,000	1,244,889	851,827	11,396,717
2014	14,625,000	1,033,430	707,067	16,365,498
2015	12,750,000	700,894	479,420	13,930,314
2016	4,100,000	410,990	279,694	4,790,684
2017	4,250,000	317,254	217,140	4,784,394
2018	4,500,000	220,620	150,986	4,871,606
2019	4,675,000	118,301	80,941	4,874,242
2020	525,000	12,003	8,135	545,138
Total	<u>\$ 95,500,000</u>	<u>\$ 17,477,684</u>	<u>\$ 12,317,721</u>	<u>\$ 125,295,404</u>

*Credit Risk:* Because the swap has a negative value on 6/30/2005, the County does not have credit risk to Goldman. However, if swap rates increase and the fair value of the swap moves in favor of the County, credit risk would be present. The current ratings of Goldman are Aaa/AAA by Moody's and Standard & Poor's, respectively.

*Termination Risk:* If the swap has an unanticipated termination or the County exercises its option to terminate, the County may owe a termination payment to Goldman equal to the fair value of the swap at that time, if swap rates have declined and the fair value is negative to the County. The County or Goldman may terminate the swap contract if either party fails to perform under the swap contract or if either party's credit rating falls below A3 from Moody's and/or A- from Standard & Poor's. The County also has the option to terminate the contract with at least 30 days notice to Goldman. The County will not exercise its termination option if a payment would be payable by the County unless the County provides evidence to Goldman that a termination payment will be made on the Early Termination Date.

*Interest Rate Risk:* Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity, the County will have interest rate risk associated with the outstanding variable rate bonds until maturity in April 2020.

*Basis Risk:* Currently the County is receiving the Actual Bond Rate so no basis risk exists. However, beginning January 1, 2007 the County could be exposed to basis risk. The basis will arise from the difference between the actual interest rate paid on the variable rate bonds and the receipt from Goldman of 76.6% of 1 Month LIBOR. The basis differential could cause the expected savings to not be achieved.

**Swap Four, Executed with Morgan Stanley Capital Services, Inc. on 3/18/2004 in connection with the 2004 Series B G.O. Variable Rate Public Improvement and School Bonds:**

*Swap Objective:* In order to have a fixed rate obligation for a period of 10 years, the County entered into a swap in connection with its 2004 G.O. Variable Rate Public Improvement and School Bonds. Given the swap was executed approximately 1 month prior to the issuance of the Bonds, the County decided to use a swap notional of \$235,000,000 because final bond sizing had not been determined. Under the terms of the swap, the County will pay a fixed rate of 2.696% and receive 70% of 1 month LIBOR. The County entered into this fixed payer swap in order to hedge variable rate exposure and take advantage of the low fixed payer swap rates.

**Swap Terms:**

Trade Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index
03/18/2004	04/22/2004	04/1/2014	\$ 235,000,000	2.696%	70% of 1 Month LIBOR

On 4/22/2004, the swap became effective at the same time the 2004 G.O. Variable Rate Public Improvement and School Bonds were issued. Under the terms of the swap, the County pays 2.696% to the Counterparty, Morgan Stanley Capital Services, Inc. (Morgan Stanley), and in return receives 70% of 1 Month LIBOR. The original swap notional was \$235,000,000 while the bonds original notional was \$237,705,000. The Bonds and swap also have different principal amortization and maturity. The bonds mature April 1, 2030. The swap matures in 2014 because the County wanted a fixed component via the swap for 10 years and in 2014, the County wanted the flexibility to take on variable rate exposure, enter into another fixed payer swap, or issue fixed rate debt. The notional amount decreases from \$235,000,000 to \$135,000,000 effective April 1, 2009 through the termination date of April 1, 2014.

*Fair Value of Swap and Option:* As of 6/30/2005, the swap had a positive fair value of \$3,417,036. This fair value was measured by a swap pricing system in which the future net swap settlement payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

*Associated Debt and Swap Payments:* This swap is in conjunction with the 2004 G.O. Variable Rate Public Improvement and School Bonds. As of 6/30/2005, below are the principal and interest requirements of the debt and the net swap payments. The cash flows below assume that BMA equals its current level of 2.28% for the term of the swap, and Morgan Stanley pays 70% of 1 Month LIBOR to the County which as of 6/30/2005 equals 2.338% (3.34% x 70%). The net swap payments will fluctuate as 70% of LIBOR changes.



Fiscal Year Ending June 30	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2006	\$ ---	\$ 5,487,325	\$ 764,990	\$ 6,252,316
2007	---	5,487,325	764,990	6,252,316
2008	---	5,487,325	749,728	6,237,054
2009	---	5,487,325	764,990	6,252,316
2010	---	5,487,325	439,463	5,926,788
2011	---	5,487,325	439,463	5,926,788
2012	---	5,487,325	430,695	5,918,020
2013	---	5,487,325	439,463	5,926,788
2014	---	5,487,325	439,463	5,926,788
2015	8,290,000	5,487,325	---	13,777,325
2016	9,120,000	5,296,213	---	14,416,213
2017	10,030,000	5,084,812	---	15,114,812
2018	11,030,000	4,853,587	---	15,883,587
2019	12,140,000	4,599,308	---	16,739,308
2020	13,350,000	4,319,441	---	17,669,441
2021	14,685,000	4,009,988	---	18,694,988
2022	16,155,000	3,671,450	---	19,826,450
2023	17,770,000	3,299,023	---	21,069,023
2024	19,545,000	2,889,365	---	22,434,365
2025	21,500,000	2,436,312	---	23,936,312
2026	13,775,000	1,940,666	---	15,715,666
2027	15,150,000	1,623,106	---	16,773,106
2028	16,665,000	1,273,848	---	17,938,848
2029	18,335,000	887,553	---	19,222,553
2030	20,165,000	464,870	---	20,629,870
Total	<u>\$ 237,705,000</u>	<u>\$ 101,522,798</u>	<u>\$ 5,233,244</u>	<u>\$ 344,461,041</u>

*Credit Risk:* The County has credit exposure to Morgan Stanley equivalent to the fair value of \$3,417,036. If Morgan Stanley fails to perform under the terms of the swap contract, the County could have a loss equal to \$3,417,036. As of 6/30/2005, the ratings of Morgan Stanley are Aa3/A+ by Moody's and Standard & Poor's, respectively. To mitigate credit risk if Standard & Poor's and Moody's rates the credit worthiness of Morgan Stanley's senior unsecured, unenhanced debt below a rating of "A" in the case of Standard & Pools or "A2" in the case of Moody's treasuries or cash will be pledged.

*Termination Risk:* If the swap has an unanticipated termination or the County exercises its option to terminate, the County may owe a termination payment to Morgan Stanley equal to the fair value of the swap at that time, if swap rates have declined and the fair value is negative to the County. The County or Morgan Stanley may terminate the swap contract if either party fails to perform under the swap contract or if either party's credit rating falls below Baa1 from Moody's and/or BBB+ from Standard & Poor's.

*Interest Rate Risk:* Currently the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to the swap maturity in 2014, the County will have interest rate risk associated with the outstanding variable rate bonds. Additionally, after the swap matures in 2014, if the County decides not to enter into another fixed payer swap or traditionally fix the debt, the county will have interest rate risk until the bonds mature on April 1, 2030.

**Basis Risk:** The County is receiving 70% of 1Month LIBOR from Morgan Stanley so basis risk exists. The basis risk arises from the difference between the actual interest rate paid on the variable rate bonds (i.e., BMA +/- spread) and the receipt from Morgan Stanley of 70% of 1Month LIBOR. This basis differential could cause the expected interest cost to increase.

**Tax Risk:** Changes or proposed changes to the tax laws relating to the tax-exempt status of municipal bonds may result in an increase to the cost of funds because the County is receiving a percentage of a taxable index and paying BMA (tax-exempt index) on the underlying variable rate bonds.

***Swap Five, Executed with Rice Financial Products Company on 10/25/2004 in connection with the 1999 Series B General Obligation Public Improvement and School Bonds:***

**Swap Objective:** In order to potentially lower its borrowing costs and achieve potential savings on a portion of its outstanding fixed rate debt without an additional bond issue, the County entered into a basis swap in connection with its 1999 Series B General Obligation Public Improvement and School Bonds. The intent of this Basis Swap when executed was to lower the County's net cost of borrowing with respect to the 1999 Series B Bonds being swapped while preserving the County's ability to advance refund the 1999 Series B Bonds on a tax-exempt basis on a later date.

**Swap Terms:**

Trade Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index
10/25/2004	10/27/2004	6/1/2019	\$75,000,000	4.16%	4.95% - Adjustment Factor

Under the terms of the swap, the County pays 4.16% to the Counterparty, RFPC, LLC (RFPC), a subsidiary of Rice Financial Products Company, and in return receives 4.95% - Adjustment Factor. The adjustment factor is equal to (BMA / 1-.65) – 6 Month LIBOR). Essentially, the County will receive a fixed spread of 79 basis points, and this fixed spread will be adjusted every six months based on the actual performance and relationship between the BMA index and six month LIBOR.

**Fair Value of Swap:** The swap, as of 6/30/2005, has a net value of (\$872,365). This fair value was measured by a swap pricing system in which the future net swap settlement payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

**Associated Debt and Swap Payments:** This swap was executed in conjunction with the 1999 Series B General Obligation Public Improvement and School Bonds of which a portion has been advance refunded. As of 6/30/2005, below are the net swap payments (assuming BMA equals its current level of 2.28% and 6 month LIBOR equals 3.53% for the term of the swap). The 3.53% LIBOR rate was reset on 6/1/2005 and still effective at 6/30/2005. The net swap payments will fluctuate as BMA and 6 month LIBOR change.

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Swap</u> <u>Principal</u>	<u>Net Swap</u> <u>(Payment) /Receipt</u>
2006	\$ 2,555,000	\$ 721,808
2007	2,690,000	696,383
2008	2,690,000	669,993
2009	2,690,000	642,846
2010	2,690,000	616,077
2011	2,690,000	589,309
2012	2,690,000	562,858
2013	3,135,000	535,771
2014	3,585,000	504,574
2015	3,765,000	468,899
2016	3,900,000	431,677
2017	4,030,000	392,624
2018	4,300,000	352,520
2019	31,125,000	309,730
TOTAL	<u>\$ 72,535,000</u>	<u>\$ 7,495,070</u>

*Credit Risk* As of 6/30/2005, because the swap has a negative value, the County does not have credit risk to RFPC. However, in the future, if fair value of the swap moves in favor of the County, credit risk would be present. The obligations of RFPC under the swap agreement are guaranteed by a surety bond that was issued by AAA rated Ambac Corporation (Ambac).

*Termination Risk:* If the swap has an unanticipated termination, the County may owe a termination payment to RFPC equal to the fair value of the swap at that time. The County or RFPC may terminate the swap contract if either party fails to perform under the swap contract. Also, with respect to both the County and RFPC, if Ambac's credit rating falls below A3 from Moody's and/or from Standard & Poor's, an Additional Termination Event occurs. With respect to the County, if the County has no issues of rated senior debt or it fails to have at least one issue with an unenhanced rating of at least Baa1 by Moody's or BBB+ by Standard & Poor's, then an Additional Termination Event will occur.

*Basis Risk:* Depending on the relationship between the BMA and 6-month LIBOR index, the County could be exposed to basis risk. If the BMA/LIBOR ratio is greater than (1- Marginal Tax Rate of 35%) then the fixed spread of 79 basis points that the County receives will be reduced. This basis differential could cause the expectation of lowering the net cost of borrowing to not be achieved.

*Tax Risk:* Changes or proposed changes to the tax laws relating to the tax-exempt status of municipal bonds may result in an increase to the cost of funds.

***Swap Six, Executed with Morgan Keegan Financial Products on 6/23/2005 in connection with the Anticipated 2006 Series A General Obligation Refunding Bonds:***

*Swap Objective:* The County will receive a payment of \$1,503,000 on 12/1/2006 from the Counterparty for entering into a swaption on the trade date of 6/23/2005. This swaption gives the Counterparty the option to cause the County to enter into a swap on December 1, 2006. If the Counterparty exercises the option, the County will

currently refund a portion of its 1996 Series B General Obligation Refunding Bonds with variable rate bonds and enter into a fixed payer swap in which the County will pay a fixed rate and receive a floating rate. The County entered into this swaption to take advantage of 40 year lows in interest rates to refund high coupon debt and to receive an upfront cash payment to pay for capital expenditures to reduce debt issuance in the future

*Swap Terms:*

Trade Date	Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Floating Rate Index	Upfront Cash Payment
6/23/2005	11/29/2006	12/1/2006	12/1/2011	\$52,615,000	4.26%	BMA	\$ 1,503,000

On 6/23/2005, the County entered into a swaption with Morgan Keegan Financial Products ("MKFP"), and the County will be paid \$1,503,000 by MKFP for this option. The County elected to receive the payment on the call date of 12/1/2006. If the option is exercised, the County will issue variable rate refunding bonds and enter into a fixed payer swap in which the County will pay 4.26% and receive the BMA index. The potential swap will have the same amortization and maturity as the underlying bond issue. The fixed swap rate of 4.26% was set at a rate that, when added to the assumed ongoing expenses for the variable rate bonds and the costs of issuance for the underlying variable rate bonds, would equal the average coupon on the outstanding 1996 Series B General Obligation Refunding Bonds.

*Fair Value of Swap:* As of 6/30/2005, the swaption had a negative fair value of (\$5,115). This fair value was measured by a swap pricing system in which the future net swap settlement payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

*Associated Debt and Swap Payments:* The swap is associated with a potential future refunding issue, the 2006 Series A General Obligation Refunding Bonds.

*Credit Risk:* The swap contract could expose the County to credit risk, depending on the fair value of the swap at that time. To mitigate credit risk, if Standard & Poor's and Moody's rates the creditworthiness of MKFP's (or the Credit Support Provider's) senior, unsecured, unenhanced debt below a rating of "A" in the case of Standard & Poor's or "A2" in the case of Moody's, treasuries or cash will be pledged.

*Termination Risk:* An out-of-the-ordinary event may occur that causes the contract to be terminated. At the time of termination, if the swap has a negative fair value, the County would be liable to MKFP for a payment equal to the fair value. If either Standard & Poor's or Moody's rates the creditworthiness of either party's (or the Credit Support Provider's) long-term, unsecured, unenhanced debt rating below Baa3 by Moody's or BBB- by Standard & Poor's, an Additional Termination Event has occurred. As of 6/30/2005, MKFP has a credit guarantee from Deutsche Bank AG, rated Aa3/AA- by Moody's and Standard & Poor's, respectively.

*Basis Risk:* Currently, the County is not exposed to basis risk. If the option is exercised in the future, as long as there is not a direct relationship between the floating rate received from MKFP (BMA Index) and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. Basis risk will exist if the County's bonds remarket higher than BMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be achieved.

*Market Access Risk:* The County may be exposed to market access risk if the County is not able to issue the variable rate refunding bonds in the future because of some unforeseen event. If the option is exercised and the refunding bonds are not issued, the 1996 bonds would not be refunded but the County would still have to make

swap payments as required by the swap contract, if it isn't terminated. Thus, because of this, the expected cost savings may not be realized.

***Swap Seven, Executed with Morgan Keegan Financial Products on 6/23/2005 in Connection with the Anticipated 2007 Series A General Obligation Refunding Bonds:***

*Swap Objective:* The County will receive a payment of \$2,070,000 on 8/1/2007 from the Counterparty for entering into a swaption on the trade date of 6/23/2005. This swaption gives the Counterparty the option to cause the County to enter into a swap on August 1, 2007. If the Counterparty exercises the option, the County will currently refund a portion of its 1997 Series B General Obligation Refunding Bonds with variable rate bonds and enter into a fixed payer swap in which the County will pay a fixed rate and receive a floating rate. The County entered into this swaption to take advantage of 40 year lows in interest rates to refund high coupon debt and to receive an upfront cash payment to pay for capital expenditures to reduce debt issuance in the future.

*Swap Terms:*

Trade Date	Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Floating Rate Index	Upfront Cash Payment
6/23/2005	7/30/2007	8/1/2007	8/1/2019	\$31,450,000	4.61%	BMA	\$ 2,070,000

On 6/23/2005, the County entered into a swaption with Morgan Keegan Financial Products (MKFP), and the County will be paid \$2,070,000 by MKFP for this option. The County elected to receive the payment on the call date of 8/1/2007. If the option is exercised, the County will issue variable rate refunding bonds and enter into a fixed payer swap in which the County will pay 4.61% and receive the BMA index. The potential swap will have the same amortization and maturity as the underlying bond issue. The fixed swap rate of 4.61% was set at a rate that, when added to the assumed ongoing expenses for the variable rate bonds and the costs of issuance for the underlying variable rate bonds, would equal the average coupon on the outstanding 1997 Series B General Obligation Refunding Bonds.

*Fair Value of Swap and Option:* As of 6/30/2005, the swaption had a negative fair value of (\$8,402). This fair value was measured by a swap pricing system in which the future net swap settlement payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

*Associated Debt and Swap Payments:* The swap is associated with a potential future refunding issue, the 2007 Series A General Obligation Refunding Bonds.

*Credit Risk:* The swap contract could expose the County to credit risk, depending on the fair value of the swap at that time. To mitigate credit risk, if Standard & Poor's and Moody's rates the creditworthiness of MKFP's (or the Credit Support Provider's) senior, unsecured, unenhanced debt below a rating of "A" in the case of Standard & Poor's or "A2" in the case of Moody's, treasuries or cash will be pledged.

*Termination Risk:* An out-of-the-ordinary event may occur that causes the contract to be terminated. At the time of termination, if the swap has a negative fair value, the County would be liable to MKFP for a payment equal to the fair value. If either Standard & Poor's or Moody's rates the creditworthiness of either party's (or the Credit Support Provider's) long-term, unsecured, unenhanced debt rating below Baa3 by Moody's or BBB- by Standard & Poor's, an Additional Termination Event has occurred. As of 6/30/2005, MKFP has a credit guarantee from Deutsche Bank AG, rated Aa3/AA- by Moody's and Standard & Poor's, respectively.

**Basis Risk:** Currently the County is not exposed to basis risk. If the option is exercised in the future, as long as there is not a direct relationship between the floating rate received from MKFP (BMA Index) and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. Basis risk will exist if the County's bonds remarket higher than BMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be achieved.

**Market Access Risk:** The County may be exposed to market access risk if the County is not able to issue the variable rate refunding bonds in the future because of some unforeseen event. If the option is exercised and the refunding bonds are not issued, the 1997 bonds would not be refunded but the County would still have to make swap payments as required by the swap contract, if it isn't terminated. Thus, because of this, the expected cost savings may not be realized.

**Swap Eight, Executed with Loop Financial Products on 6/23/2005 in Connection with the Anticipated 2008 Series A General Obligation Refunding Bonds:**

**Swap Objective:** The County will receive a payment of \$8,571,000 on 3/1/2008 from the Counterparty for entering into a swaption on the trade date of 6/23/2005. This swaption gives the Counterparty the option to cause the County to enter into a swap on March 1, 2008. If the Counterparty exercises the option, the County will currently refund a portion of its 1998 Series A General Obligation Refunding Bonds with variable rate bonds and enter into a fixed payer swap in which the County will pay a fixed rate and receive a floating rate. The County entered into this swaption to take advantage of 40 year lows in interest rates to refund high coupon debt and to receive an upfront cash payment to pay for capital expenditures to reduce debt issuance in the future.

**Swap Terms:**

Trade Date	Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Floating Rate Index	Upfront Cash Payment
6/23/2005	2/28/2008	3/1/2008	3/1/2022	\$121,485,000	4.66%	BMA	\$8,571,000

On 6/23/2005 the County entered into a swaption with Loop Financial Products (LFP), and the County will be paid \$8,571,000 by LFP for this option. The County elected to receive the payment on the call date of 3/1/2008. If the option is exercised, the County will issue variable rate refunding bonds and enter into a fixed payer swap in which the County will pay 4.66% and receive the BMA index. The potential swap will have the same amortization and maturity as the underlying bond issue. The fixed swap rate of 4.66% was set at a rate that, when added to the assumed ongoing expenses for the variable rate bonds and the costs of issuance for the underlying variable rate bonds, would equal the average coupon on the outstanding 1998 Series A General Obligation Refunding Bonds.

**Fair Value of Swap and Option:** As of 6/30/2005 the swaption had a negative fair value of (\$924,200). This fair value was measured by a swap pricing system in which the future net swap settlement payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

**Fair Value of Swap and Option:** The swap is associated with a potential future refunding issue, the 2008 Series A General Obligation Refunding Bonds.

**Credit Risk:** The swap contract could expose the County to credit risk, depending on the fair value of the swap at that time. To mitigate credit risk, if Standard & Poor's and Moody's rates the creditworthiness of LFP's (or the Credit Support Provider's) senior, unsecured, unenhanced debt below a rating of "A" in the case of Standard & Poor's or "A2" in the case of Moody's, treasuries or cash will be pledged.

*Termination Risk:* An out-of-the-ordinary event may occur that causes the contract to be terminated. At the time of termination, if the swap has a negative fair value, the County would be liable to LFP for a payment equal to the fair value. If either Standard & Poor's or Moody's rates the creditworthiness of either party's (or the Credit Support Provider's) long-term, unsecured, unenhanced debt rating below Baa3 by Moody's or BBB- by Standard & Poor's, an Additional Termination Event has occurred. As of 6/30/2005, LFP has a credit guarantee from Deutsche Bank AG, rated Aa3/AA- by Moody's and Standard & Poor's, respectively.

*Basis Risk:* Currently the County is not exposed to basis risk. If the option is exercised in the future, as long as there is not a direct relationship between the floating rate received from LFP (BMA Index) and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. Basis risk will exist if the County's bonds remarket higher than BMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be achieved.

*Market Access Risk:* The County may be exposed to market access risk if the County is not able to issue the variable rate refunding bonds in the future because of some unforeseen event. If the option is exercised and the refunding bonds are not issued, the 1998 bonds would not be refunded but the County would still have to make swap payments as required by the swap contract, if it isn't terminated. Thus, because of this, the expected cost savings may not be realized.

*Claims and judgments:*

The County has recognized long-term liabilities for claims and judgments of \$9,025,381 in accordance with its accounting policy explained in Note I (E). The liabilities are based on property damage and personal injury lawsuits arising in the course of operations.

**(I) Interfund Receivables, Payables and Transfers**

Interfund receivables and payables consist of the following:

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Corrections Center Fund	\$ 5,620,035
	Grants Fund	5,429,155
Total		<u>\$ 11,049,190</u>

Due To/From Component Units:

Receivable Entity	Payable Entity	Amount
Debt Service Fund	The Med (component unit)	\$ 3,905,886
Capital Projects Fund	The Med (component unit)	3,354,846
Board of Education (component unit)	Education Fund	1,795,372
Total		<u>\$ 9,056,104</u>

These balances resulted from timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) payments between funds occur.

Transfers during the year were as follows:

Transfer Out:	Transfer In:	Amount
General Fund	Correction Center Fund	\$ 11,300,000
	Debt Service Fund	659,151
	Grants Fund	2,739,945
	Nonmajor Governmental Funds	258,887
	Internal Service Funds	250,000
	Capital Projects Fund	2,250,000
Debt Service Fund	General Fund	324,815
Nonmajor Governmental Funds	Debt Service Fund	5,963,888
	General Fund	2,344,679
	Capital Projects Fund	598,216
	Grants Fund	39,537
Capital Projects Fund	Debt Service Fund	10,066,901
Grants Fund	General Fund	4,930,423
	Grants Fund	173,144
	Capital Projects Fund	151,999
	Consolidated Codes Enforcement Fund	127,646
Total transfers out by governmental fund types		<u>42,179,231</u>
Correction Center Fund	General Fund	2,700,000
Fire Services Fund	General Fund	600,000
Consolidated Codes Enforcement Fund	General Fund	1,069,663
	Grants Fund	382,320
Internal Service Funds	General Fund	992,737
	Government-wide fixed assets	<u>217,855</u>
Total transfers out by proprietary fund types and Internal Service Funds		<u>5,962,575</u>
Total all fund types		<u><u>\$ 48,141,806</u></u>

The Internal Service Funds also reflect a transfer in of \$129,009 for long-term liabilities transferred to the government-wide statements.

Transfers are used to (1) move revenue from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

### (J) Other Revenue

The other revenue classification is used in the combined, combining and individual fund financial statements and in the supplemental schedules and statistical section of the comprehensive annual financial report. This category is one of the revenue line items included in the legally adopted budget approved annually by the Board of Commissioners. Certain revenue accounts which are not accurately described by any of the other revenue classifications included in the budget (local taxes, local revenues, state revenue, federal revenue, patient service revenue, elected officials' fees and fines) are classified as other revenue.



Other revenue for the year ended June 30, 2005 is detailed below:

	General Fund	Debt Service Fund	Capital Projects Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Investment income	\$ 4,338,484	\$ 395,796	\$ 446,263	\$ 115,277	\$ 332,713	\$ 5,628,533
Miscellaneous income	646,858	1,022	338,179	378,092	15,224	1,379,375
Total other revenue	<u>\$ 4,985,342</u>	<u>\$ 396,818</u>	<u>\$ 784,442</u>	<u>\$ 493,369</u>	<u>\$ 347,937</u>	<u>\$ 7,007,908</u>

### (K) Risk Financing and Related Insurance Issues

Shelby County maintains a self-insured Group Hospital Insurance Fund for its active and retired employees and their dependents, funded by participation of both the County and its employees. Incurred but not reported (IBNR) claims liabilities of the Group Hospital Insurance Fund were actuarially determined. This calculation was based on prior years' claims expense and the current year's actual claims incurred. The long term liabilities for IBNR claims are presented at present value.

The schedule below presents the changes in IBNR liabilities for the past two years for the Group Hospital Insurance Fund:

	2005	2004
Insurance claims liabilities at the beginning of the fiscal year	\$ 9,101,000	\$ 11,006,275
Incurred claims and claim adjustment expenses	47,512,095	45,836,999
Payment of claims and claim adjustment expenses	<u>(48,613,095)</u>	<u>(47,742,274)</u>
Claims liabilities at the end of the fiscal year	<u>\$ 8,000,000</u>	<u>\$ 9,101,000</u>

IBNR claims are included in Insurance Claims Payable.

The County maintains a self-insured Tort Liability Fund funded by premiums paid by departments using county vehicles and by an operating transfer from the General Fund. Claims liabilities of the Tort Liability Fund were estimated based on prior years' claims expense, current year's actual claims, and a review of pending litigation through the County Attorney.

The schedule below presents the changes in claims liabilities for the past two years for the Tort Liability Fund:

	2005	2004
Tort claims liabilities at the beginning of the fiscal year	\$ 3,398,629	\$ 2,118,035
Incurred claims and claim adjustment expenses	209,987	1,758,419
Payment of claims and claim adjustment expenses	<u>(630,164)</u>	<u>(477,825)</u>
Claims liabilities at the end of the fiscal year	<u>\$ 2,978,452</u>	<u>\$ 3,398,629</u>

The County maintains a self-insured Employer Insurance Fund for on-the-job injuries and unemployment compensation, funded by premiums paid by County departments based on a percentage of salary costs. Claims liabilities of the Employer Insurance Fund were estimated based on prior year's claims expense and current year's actual claims incurred.

The schedule below presents the changes in claims liabilities for the past two years for the Employer Insurance Fund:

	2005	2004
Claims and claim adjustment liabilities at the beginning of the fiscal year	\$ 6,228,142	\$ 8,996,944
Incurred claims and claim adjustment expenses	3,655,919	2,271,935
Payment of claims and claim adjustments expenses	<u>(3,504,117)</u>	<u>(5,040,737)</u>
Claims and claim adjustments liabilities at the end of the fiscal year	<u>\$ 6,379,944</u>	<u>\$ 6,228,142</u>

The County's other insurance fund is the Group Life Insurance Fund, which reported expenses of \$2,707,795 for claims incurred for the year ended June 30, 2005.

### **(L) Contingencies and Commitments**

The County has commitments at fiscal year-end for outstanding purchase orders and outstanding contracts reported as reserves for encumbrances of the governmental funds. In addition, commitments for capital projects total \$20,853,473 as of June 30, 2005. Notes payable have been authorized and are available as needed to fund these capital projects.

The Memphis and Shelby County Sports Authority, Inc. is a joint venture organization that has issued revenue bonds for construction of a sports and entertainment facility. Although the City of Memphis and Shelby County are not legally liable for the debt, they have agreed to share equally in the payment of the debt if the Authority is unable to pay. See further explanations in Note IV (M).

**(M) Joint Ventures, Jointly Governed Organizations and Related Organizations*****Joint Ventures:***

Joint ventures are defined in generally accepted accounting principles as organizations owned, operated or governed by two or more participants where no single participant has the ability to unilaterally control the financial or operating policies of the joint venture. Participants must maintain an ongoing financial responsibility for, or financial interest in, the joint venture. The following organizations qualify as joint ventures of Shelby County. References to the appointment of members of boards or commissions include both those appointed and those serving ex officio. Appointment usually includes confirmation by the appropriate legislative body.

***Memphis and Shelby County Convention Center Commission (the Convention Center)***

The Convention Center operates the 300,000 square foot multi-use Memphis Cook Convention Center and the 2,100 seat Cannon Center for the Performing Arts. The Convention Center is a joint venture between the City of Memphis (City) and the County and is overseen by an eight-member board. The City and County each appoint four board members. The board is responsible for reporting the results of operations semi-annually to both the City and the County. The City and County share equally in the profits of the Convention Center and are responsible for funding any deficit from operations in the same proportion. Through the year ended June 30, 2004 this obligation was funded for both governments from the proceeds of the hotel/motel tax. During the year ended June 30, 2005 the County contributed \$992,964 to the operations of the Convention Center from the general fund; the City contributed a like amount. The County does not hold an equity interest in this entity. A third party under contract handles day-to-day promotion, operation, and management of the Convention Center. Financial statements for the Convention Center may be obtained from Memphis Cook Convention Center, 255 N. Main Street, Memphis, Tennessee 38103.

***Memphis and Shelby County Port Commission (the Port Commission)***

The Port Commission manages and develops industrial properties and has the authority for the direct development of the riverfront within Shelby County, except from the mouth of the Wolf River south to the I-55 bridge. The Port Commission is a joint venture between the City and the County and is overseen by a seven-member board. The City appoints four of the board members and the County appoints three members. Any deficits of the Port Commission are funded equally by the City and the County and excess revenues are distributed equally to the City and the County. The City and the County must approve the issuance of debt by or for the Port Commission. The County does not hold an equity interest in this entity. The County's revenue share from the Port Commission for the year ended June 30, 2005 was \$274,724. Financial statements for the Port Commission may be obtained from the Memphis and Shelby County Port Commission, P.O. Box 13142, Memphis, Tennessee 38113.

***Memphis and Shelby County Sports Authority, Inc. (the Authority)***

The Authority was chartered in 1997 under a State statute that permits sports authorities to receive certain sales taxes generated by major league sports franchises. In 2001 the City of Memphis and Shelby County entered into the "Memphis Arena Project Agreement" to bring a NBA professional team to Memphis. A major part of that agreement required the construction of a new multipurpose sports and entertainment facility. Financing for construction of this facility (now known as FedExForum) has been done through the Authority. The Authority has issued long-term debt totaling \$224,825,305 in principal amount, with \$220,590,305 principal owed as of December 31, 2004 (the latest available audited financial report), plus accrued interest and Swap liabilities. Title to the facility is held by the New Memphis Arena Public Building Authority of Memphis and Shelby County, a joint venture; see below for more information on that entity. The Authority's revenue bonds are payable from seat rental fees, certain state sales taxes generated by the professional basketball team, car rental taxes, City and County-wide hotel/motel taxes, and in lieu of tax payments by the Memphis Light Gas and Water Division.

The Sports Authority is a joint venture between the City of Memphis and the County and has a board whose members are jointly appointed by the mayors of the City and the County and approved by the Memphis City

Council and the Shelby County Commission. Although the bond indentures state that the City and County are not legally liable for the indebtedness of the Authority, under agreement the City and County have agreed to pay, in equal amounts, the debt if the Authority is unable to pay. During the year ended June 30, 2005 the County transferred to the Sports Authority for debt service purposes the amount of \$1,093,077 from car rental taxes and \$4,669,767 from hotel/motel taxes. Financial statements for the Memphis and Shelby County Sports Authority, Inc. may be obtained from the Memphis Convention & Visitor's Bureau, 47 Union Avenue, Memphis, Tennessee 38103.

*Mid-South Coliseum (the Coliseum)*

The Coliseum operates a multi-purpose sports and entertainment facility with a seating capacity of approximately 11,500. The Coliseum is a joint venture between the City of Memphis and the County and is overseen by a five-member board. The City appoints two board members, the County appoints two members and one is jointly appointed by the City and County. The City and County share in profits or fund any deficits from operations in a ratio of 60% and 40%, respectively. The County does not hold an equity interest in this entity. As a result of a non-compete clause in the agreement with the National Basketball Association Franchise Owners for the operation of the new arena (FedExForum), the future financial viability of this facility is questionable. At June 30, 2005 the County is owed \$159,889 by the Coliseum evidenced by a note; no payment was made in FY 2005. During the year the County paid the Coliseum \$1,898 for use of the facility. Financial statements for the Coliseum may be obtained from the Mid-South Coliseum, The Fairgrounds, 996 Early Maxwell Boulevard, Memphis, Tennessee 38104.

*New Memphis Arena Public Building Authority of Memphis and Shelby County (New PBA)*

The New PBA was created in August 2001 by Shelby County and the City of Memphis. It is a nonprofit corporation established under statutes of the State of Tennessee. In June 2001 the City of Memphis, Shelby County, and HOOPS, L.P. (the NBA franchise ownership entity) entered into the "Memphis Arena Project Agreement." Under this agreement a new arena would be constructed and leased to HOOPS, L.P. as part of the agreement to bring a professional basketball (NBA) team to Memphis. The primary purpose of the New PBA was to construct and hold title to this new multi-purpose sports and entertainment facility (now known as FedExForum). Construction of the facility is complete and the facility has been leased to and is being operated by HOOPS, L.P. as noted above.

Funding for construction of the facility was provided primarily through the Memphis and Shelby County Sports Authority, Inc., a separate joint venture as explained above. However, the New PBA holds title to the building.

The New PBA is a joint venture between the City of Memphis and the County. It is governed by a Board of Directors whose members are jointly appointed by the mayors of the City of Memphis and Shelby County and approved by the Memphis City Council and the Shelby County Commission. The City and County maintain an ongoing financial responsibility for subsidies to finance the New PBA's capital expenditures and operations. During the year ended June 30, 2005 there were no financial transactions between the New PBA and the County. Financial statements for the New PBA may be obtained from the New Memphis Arena PBA, 195 Linden Avenue, Memphis, Tennessee 38103.

*Pyramid Arena*

In November 1987 the City of Memphis and the County entered into a joint venture arrangement creating the Public Building Authority of Memphis and Shelby County (PBA). The PBA is a not-for-profit corporation created for the purpose of constructing the Pyramid, a multipurpose facility with the primary use as a basketball arena. The City and the County each separately issued bonds for their share of the construction cost of the Pyramid, with the debt remaining an obligation of the issuer. The Pyramid was then leased back jointly to the City and the County for operation. The County does not hold an equity interest in the PBA. The PBA currently exists solely to hold title to the building and has no ongoing financial operations.

On July 1, 1991 the City and County jointly entered into a contract with a third party (SMG) to manage, operate, market and promote the Pyramid. The term of the contract was for the three-year period July 1, 1991 to June 30, 1994, with a renewal clause for up to three additional five-year terms. The current renewal period expires June 30, 2009. The City and County will each appropriate one-half of the necessary funds to sustain operations based upon each government's approval of an operating budget. During the year ended June 30, 2005 the County contributed \$750,000 to the operating budget of the Pyramid. Excess operating revenue net of management fees and operating expenses, as defined under the management agreement, will be paid to the City and the County upon demand. As provided for in the management agreement, cash in excess of \$500,000 will also be paid to the City and the County upon demand. No excess cash was returned in fiscal year 2005. As a result of a non-compete clause in the agreement with the National Basketball Association Franchise Owners for the operation of the new arena (FedExForum), the future financial viability of this facility is questionable. Financial statements for the Pyramid Arena Operations may be obtained from the Pyramid Arena, One Auction Street, Memphis, Tennessee 38105.

The following is a summary of the financial information of the joint ventures, as of and for the year ended June 30, 2005 (not covered by the report of independent accountants):

	Convention Center	Port Commission	Sports Authority (a)	Mid-South Coliseum	New Arena PBA (a)	Pyramid Arena
Assets	\$ 13,832,234	\$ 29,519,778	\$ 43,206,862	\$ 1,403,233	\$ 233,219,588	\$ 1,096,891
Liabilities	1,623,618	8,145,152	228,228,432	850,584	2,362,017	349,531
Net Assets	12,208,616	21,374,626	(185,021,570)	552,649	230,857,571	747,360
Operating Revenues	2,903,269	1,765,846	148,243	1,599,854	1,380,465	782,212
Operating Expenses	6,374,824	2,200,022	589,527	2,085,150	3,111,472	2,253,027
Other Revenue	2,084,739	113,615	11,724,540	296,803	94,266,833	1,485,564
Other Expenses	---	305,918	92,322,384	10,011	24,982	---
Change in Net Assets	(1,386,816)	(626,479)	(81,039,128)	(198,504)	92,510,844	14,749

(a) Fiscal year-end December 31, 2004.

### ***Jointly Governed Organizations:***

The County in conjunction with the City of Memphis has joint control of the following organizations through the appointment of their boards. They are not considered joint ventures because the County and the City do not retain an ongoing financial responsibility or financial interest. There were no financial transactions between the County and the organizations in the fiscal year ending June 30, 2005 unless noted below.

The *Depot Redevelopment Corporation of Memphis and Shelby County (Depot)* was established by the City and County to determine and establish a reuse plan and management strategy for the Memphis Depot. The United States Government closed the former military supply depot. The mayors of the City and County appoint the nine board members for six-year terms with approval of the City Council and the County Commission. The County has a note receivable from the Depot with a principal balance of \$3,415,000 as of June 30, 2005. During the year ended June 30, 2005 the Depot repaid \$155,000 of principal on this note plus \$179,094 of interest.

The *Industrial Development Board of Memphis and Shelby County* operates as a nonprofit corporation for the purpose of promoting industrial development in the City and County. The City appoints four board members, the County appoints four members and one is jointly appointed by the City and County for six-year terms, with approval by the City Council and the County Commission.

The *Memphis and Shelby County Center City Commission* is responsible for promotion and redevelopment of the Memphis Center City area. The mayors of the City and County appoint the twenty board members for three-year terms, with approval by the City Council and the County Commission.

The *Memphis and Shelby County Center City Downtown Parking Authority* manages five downtown parking garages and establishes and coordinates uniform parking policies and parking management in the downtown Memphis area. The mayors of the City and County appoint the seven-member board.

The *Memphis Center City Revenue Finance Corporation (Finance Corporation)* is a nonprofit corporation established jointly by the City and the County under the laws of the State of Tennessee. The Finance Corporation provides various forms of financial assistance to development projects. The City appoints four board members, the County appoints four members and one is jointly appointed by the City and County for six-year terms, with approval by the City Council and the County Commission.

***Related Organizations:***

The County appoints a voting majority of the board of the following organizations but is not financially accountable for the organizations:

- *Health, Housing and Education Facilities Board*
- *Shelby County Housing Authority*

The *Memphis and Shelby County Airport Authority* owns and operates Memphis International Airport and two general aviation airports. Six of the seven board members are appointed by the City of Memphis mayor and one by the County mayor, all for seven-year terms, subject to confirmation by the Memphis City Council. The Airport Authority is a component unit of the City of Memphis.

The Med has an investment in *Memphis Managed Care Corporation* (MMCC), a TennCare MCO, that pays The Med a fixed per diem for inpatient services and pays for outpatient services on a fee for service basis. The investment was valued at \$13,751,885 at June 30, 2005.

**(N) Other Post–Employment Benefits**

In addition to providing benefits, the County provides certain health care and life insurance benefits for retired employees in accordance with policy established by the County Board of Commissioners. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County. The cost of retiree health care and life insurance benefits is recognized as an expenditure as claims are paid. For 2005 the County provided these benefits to 1,901 retirees at a cost of \$11,557,451.

**(O) Pensions**

**Shelby County Retirement System**

*Plan Description*

The Shelby County Retirement System (the System) is a single employer defined benefit public employee retirement system (PERS) established by Shelby County, Tennessee. The System is administered by a board, the majority of whose members are nominated by the Shelby County mayor, subject to approval by the Shelby County Board of Commissioners. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Shelby County Retirement System, Suite 950, 160 N. Main, Memphis, Tennessee 38103 or calling (901) 545-3370.

Substantially all full-time and permanent part-time employees of the County are required, as a condition of employment, to participate in the System. The Shelby County Board of Commissioners establishes the System's benefits and contribution provisions. Once becoming a participant, a person will continue to participate as long as he or she is an employee of the County. The System provides retirement as well as survivor and disability defined benefits.

The System consists of two plans (Plans A and B) which are legally one reporting entity. Plan B is a contributory defined benefit pension plan for employees hired prior to December 1, 1978. Plan A is a non-contributory defined benefit pension plan for employees hired on or after December 1, 1978, and those employees that elected to transfer to Plan A from Plan B before January 1, 1981. In November 2004 the County Commission approved a new "Plan C" that will become effective on September 1, 2005. Plan C was designed to be cost-neutral to the County relative to current plans.

#### *Funding Policy*

The Board of Administration of the Shelby County, Tennessee Retirement System (the Board) establishes the System's funding policy for employee contribution requirements. The Shelby County Board of Commissioners establishes the System's funding policy for employer contribution requirements. The County does not receive the actuarial report until several months into the fiscal year to which the report relates. Due to budgetary procedures the County makes contributions based on the latest actuarial report received at the date a new fiscal year's budget is being prepared. Contributions for fiscal year 2005 were based on the actuarial report as of July 1, 2003.

In accordance with the actuarial valuation as of July 1, 2003 the employer contribution rate required was 4.09% of covered payroll of participants. Plan B participants contribute an additional 8.0% of their earnings, with some exceptions for employees of Plan B with more than 35 years of service. In addition, certain Plan A public safety employees contribute 2.65% of their compensation. This resulted in total contributions of \$20,824,119 (\$18,800,000 employer contributions and \$2,024,119 employee contributions). The actuarial required employer contribution of \$9,645,830 is significantly impacted by the amortization of the actuarial surplus that results from investment results in prior years. The County has chosen to fund a level amount that is approximately the normal cost for benefits earned.

The significant actuarial assumptions used to compute these actuarially determined contribution requirements are the same as those used to compute the net pension obligation.

#### Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2003	\$ 12,313,480	100%	\$ ---
June 30, 2004	17,836,152	100%	---
June 30, 2005	9,645,830	195%	---

More detailed information on all Plans is available in the System's separately issued financial report and in the Required Supplementary Information section of this Comprehensive Annual Financial Report.

#### **Pension plans of the component units:**

The primary government does not act in a trustee capacity for the assets of the pension plans of the component units.

*Shelby County Board of Education (the Board of Education)*

On behalf of its teachers, the Board of Education contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10<sup>th</sup> Floor Andrew Jackson Building, Nashville, TN 37243-0203 or can be accessed at [www.treasury.state.tn.us](http://www.treasury.state.tn.us).

All non-teachers employed by the Board of Education are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by TCRS. The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10<sup>th</sup> floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.treasury.state.tn.us](http://www.treasury.state.tn.us).

*Shelby County Health Care Corporation (the Med)*

Effective July 1, 1985 the Med established the Regional Medical Center at Memphis Retirement Investment Plan, a defined contribution pension plan. In a defined contribution plan benefits depend solely on amounts contributed to the plan plus investment earnings. Financial statements of the Regional Medical Center at Memphis Retirement Investment Plan are available from Shelby County Health Care Corporation, 877 Jefferson Avenue, Memphis, Tennessee 38103.

More details about all plans of component units are available in the separately issued financial reports of the component units and in the separately issued financial reports of the retirement plans as noted above.

**(P) Subsequent Events**

In July 2005 the Shelby County Board of Commissioners approved the \$81,940,000 2005 Series Tax Anticipation Note-Commercial Paper Program. While current intentions are that the Tax Anticipation Notes will be paid off on or before June 30, 2006, similar or other financing will be required each year for the foreseeable future.

At June 30, 2005 \$30,000,000 of the \$275,000,000 2005A EMCP (Extendible Municipal Commercial Paper) notes had been issued. As of November 18, 2005, an additional \$33,000,000 has been issued for capital improvement projects.

In August 2005 the County entered an agreement with the Shelby County Board of Education and the Memphis City Schools Board of Education to provide \$100 million to be divided equally between the two school systems to provide a new high school for the County schools and to provide funding for renovations for the City of Memphis schools. In addition, this agreement provides for capital funding to the schools of \$60 million per year for fiscal years 2007, 2008 and 2009.



**(Q) Restatement of Fund Balance/Net Assets**

Air pollution fees and related expenses were reported in the general fund until July 1, 2004 when they were reclassified as the Health Services Restricted Fees Special Revenue Fund, a nonmajor governmental fund. In prior years the general fund provided an advance to the fire services fund which is being repaid over a number of years. Interest was not charged on these advances. During the current year it was determined that State law required interest be charged on the advances.

Fund balance/net assets as of July 1, 2004 have been restated as follows for these items.

	Governmental Activities	Business-type Activities	
Countywide:			
Net assets at June, 2004	\$ (1,378,211,316)	\$ 35,705,361	
Interest on advances	1,305,814	(1,305,814)	
Net assets at July 1, 2004	<u>\$ (1,376,905,502)</u>	<u>\$ 34,399,547</u>	
	General Fund	Nonmajor Governmental Fund	Fire Services Fund
Governmental & Proprietary Funds:			
Fund balances/net assets			
at June 30, 2004	\$ 35,441,462	\$ 14,964,883	\$ (193,173)
Interest on advances	1,305,814	---	(1,305,814)
Reclassification of air pollution	(1,156,668)	1,156,668	---
fund balances/net assets			
at July 1, 2004	<u>\$ 35,590,608</u>	<u>\$ 16,121,551</u>	<u>\$ (1,498,987)</u>

**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 210,430,000	\$ 210,430,000	\$ 212,588,811	\$ 2,158,811
Local revenue	26,249,122	25,583,935	26,178,599	594,664
State revenue	13,413,183	13,744,093	14,258,452	514,359
Federal revenue	11,800	34,267	12,035	(22,232)
Patient service revenue	982,750	982,750	497,522	(485,228)
Elected officials' fines and fees	54,589,632	54,633,007	53,040,414	(1,592,593)
Other revenue	2,970,815	3,025,815	4,985,342	1,959,527
Total revenues	308,647,302	308,433,867	311,561,175	3,127,308
Expenditures:				
General government	36,002,145	39,428,173	39,117,478	310,695
Hospital	20,566,667	20,566,667	20,566,667	---
Planning & development	605,695	557,362	537,304	20,058
Public works	20,387,821	19,775,750	19,637,348	138,402
Health services	30,549,453	28,353,020	28,281,433	71,587
Community services	4,099,883	3,760,486	3,712,722	47,764
Law enforcement	128,735,122	126,693,830	125,490,249	1,203,581
Judicial	37,391,102	35,809,124	35,123,060	686,064
Other elected officials	26,188,951	29,035,974	28,491,976	543,998
Total expenditures	304,526,839	303,980,386	300,958,237	3,022,149
Excess (deficiency) of revenues over expenditures	4,120,463	4,453,481	10,602,938	6,149,457
Other Financing Sources (uses):				
Transfers in	12,459,769	13,650,290	12,962,317	(687,973)
Transfers out	(15,502,591)	(18,094,188)	(17,457,983)	636,205
Planned change in fund balance	(1,077,641)	(9,583)	---	9,583
Total other financing sources (uses)	(4,120,463)	(4,453,481)	(4,495,666)	(42,185)
Net change in fund balance	\$ ---	\$ ---	\$ 6,107,272	\$ 6,107,272

**Education Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 322,560,000	\$ 325,859,655	\$ 325,859,655	\$ ---
Total revenues	322,560,000	325,859,655	325,859,655	---
Expenditures:				
Education				
Special funded project - City Schools	230,223,000	234,799,975	234,799,975	---
Special funded project - County Schools	92,337,000	91,059,680	91,059,680	---
Total expenditures	322,560,000	325,859,655	325,859,655	---
Net change in fund balance	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 13,121,731	\$ 12,878,263	\$ 6,092,890	\$ (6,785,373)
State revenue	57,897,951	79,371,700	51,807,203	(27,564,497)
Federal revenue	32,524,247	36,975,784	26,469,182	(10,506,602)
Patient service revenue	1,791,800	1,791,800	1,514,519	(277,281)
Other revenue	634,838	638,007	493,369	(144,638)
Total revenues	105,970,567	131,655,554	86,377,163	(45,278,391)
Expenditures:				
General government	185,102	955,188	828,357	126,831
Planning & development	18,514,375	18,263,544	5,572,838	12,690,706
Public works	1,863,749	17,824,069	1,618,322	16,205,747
Corrections	373,412	463,630	371,598	92,032
Health services	25,915,854	28,728,691	21,320,330	7,408,361
Community services	40,662,173	44,774,160	37,202,404	7,571,756
Law enforcement	17,307,057	756,511	558,562	197,949
Judicial	790,691	18,093,590	15,673,215	2,420,375
Other elected officials	---	1,147,032	1,041,736	105,296
Total expenditures	105,612,413	131,006,415	84,187,362	46,819,053
Excess (deficiency) of revenues over expenditures	358,154	649,139	2,189,801	1,540,662
Other financing sources (uses):				
Transfers in	4,352,803	4,949,079	3,334,941	(1,614,138)
Transfers out	(5,725,245)	(6,612,506)	(5,383,212)	1,229,294
Planned change in fund balance	1,014,288	1,014,288	---	(1,014,288)
Total other financing sources (uses)	(358,154)	(649,139)	(2,048,271)	(1,399,132)
Net change in fund balance	\$ ---	\$ ---	\$ 141,530	\$ 141,530

**Shelby County Retirement System  
Required Supplementary Information  
For the Year Ended June 30, 2005**

**Schedule of Funding Progress**

Actuarial Valuation Date of June 30	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability/ (Surplus)	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability/ (Surplus) as a Percentage of Covered Payroll
2000	\$ 740,062,567	\$ 613,838,116	\$ (126,224,451)	120.6%	\$ 200,325,882	(63.9%)
2001	753,767,893	679,275,060	(74,492,833)	111.0%	218,198,745	(34.1%)
2002	797,091,379	720,839,196	(76,252,183)	110.6%	233,148,476	(32.7%)
2003	794,201,990	769,753,615	(24,448,375)	103.2%	237,197,193	(10.3%)
2004	841,335,004	737,329,388	(104,005,616)	114.1%	246,685,081	(42.2%)
2005	885,049,492	780,800,809	(104,248,683)	113.4%	253,031,826	(41.2%)

**Disclosures Related to Shelby County Retirement System**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations (or updates) at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	July 1, 2003 for Contribution Requirement July 1, 2004 rolled forward to June 30, 2005 for funding purposes
Actuarial cost method	Projected unit credit service pro-rate cost method
Amortization method	20-year amortization from July 1, 2003 of excess assets over 100% of actuarial accrued liability using the level dollar method. The period is closed
Remaining amortization period	19 years on June 30, 2005
Asset valuation method	Funding Progress: 10-year smoothing method.  Contribution : 10-year smoothing method. The actuarial asset method changed from a 5-year smoothing method.
Rate of investment return	Funding Progress: 8.25% Contribution: 8.25%
Projected salary increases	Funding Progress: 4.00% Contribution: 4.00%
Cost of living adjustments	Funding Progress: 2.5% for Plan A Contribution: 2.5% for Plan A

**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2005**

	Special Revenue Funds		
	Roads and Bridges Fund	Solid Waste Management Fund	Hotel/Motel Tax Fund
Assets:			
Cash and cash equivalents	\$ 10,507,702	\$ 1,723	\$ 387,403
Accounts receivable and accrued revenues	6,173	600	---
Due from other governmental entities	930,088	---	1,102,466
Deposits held by others	---	---	---
Total Assets	<u>\$ 11,443,963</u>	<u>\$ 2,323</u>	<u>\$ 1,489,869</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 335,949	\$ 2,323	\$ 1,169,005
Deposits held for others	---	---	---
Total Liabilities	<u>335,949</u>	<u>2,323</u>	<u>1,169,005</u>
Fund Balances:			
Reserved for encumbrances	1,871,415	---	---
Undesignated	9,236,599	---	320,864
Total Fund Balances	<u>11,108,014</u>	<u>---</u>	<u>320,864</u>
Total Liabilities and Fund Balances	<u>\$ 11,443,963</u>	<u>\$ 2,323</u>	<u>\$ 1,489,869</u>

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Sheriff Narcotics Fund	Register Data Processing Fund	Car Rental Tax Fund	Health Services Restricted Fees Fund	Total
\$ 2,168,557	\$ 960,827	\$ 125,358	\$ 1,152,073	\$ 15,303,643
86,030	---	64,094	---	156,897
---	---	162,673	---	2,195,227
431,297	---	---	---	431,297
<u>\$ 2,685,884</u>	<u>\$ 960,827</u>	<u>\$ 352,125</u>	<u>\$ 1,152,073</u>	<u>\$ 18,087,064</u>
\$ 78,931	\$ 59,012	\$ 352,125	\$ 1,548	\$ 1,998,893
372,571	---	---	---	372,571
451,502	59,012	352,125	1,548	2,371,464
21,243	209,664	---	---	2,102,322
2,213,139	692,151	---	1,150,525	13,613,278
2,234,382	901,815	---	1,150,525	15,715,600
<u>\$ 2,685,884</u>	<u>\$ 960,827</u>	<u>\$ 352,125</u>	<u>\$ 1,152,073</u>	<u>\$ 18,087,064</u>

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**For the Year Ended June 30, 2005**

	Special Revenue Funds		
	Roads and Bridges Fund	Solid Waste Management Fund	Hotel/Motel Tax Fund
Revenues:			
Local taxes	\$ 282,079	\$ ---	\$ 10,522,938
Local revenue	122,273	43,630	---
State revenue	9,811,781	---	5,000,535
Elected officials' fines & fees	---	---	---
Other revenue	286,585	---	---
Total revenues	10,502,718	43,630	15,523,473
Expenditures:			
General government	---	---	9,708,300
Public works	8,395,125	203,405	---
Health services	---	---	---
Law enforcement	---	---	---
Other elected officials	---	---	---
Total expenditures	8,395,125	203,405	9,708,300
Excess (deficiency) of revenues over (under) expenditures	2,107,593	(159,775)	5,815,173
Other financing sources (uses):			
Transfers in	115,055	159,775	---
Transfers out	(2,768,216)	---	(5,963,888)
Total other financing sources (uses)	(2,653,161)	159,775	(5,963,888)
Net change in fund balances	(545,568)	---	(148,715)
Fund Balances:			
June 30, 2004, restated	11,653,582	---	469,579
June 30, 2005	\$ 11,108,014	\$ ---	\$ 320,864



Sheriff Narcotics Fund	Register Data Processing Fund	Car Rental Tax Fund	Health Services Restricted Fees Fund	Total
\$ ---	\$ ---	\$ 1,093,077	\$ ---	\$ 11,898,094
191,236	---	---	961,961	1,319,100
---	---	---	---	14,812,316
1,718,269	373,468	---	---	2,091,737
39,287	22,065	---	---	347,937
1,948,792	395,533	1,093,077	961,961	30,469,184
---	---	1,093,077	---	10,801,377
---	---	---	---	8,598,530
---	---	---	793,425	793,425
1,266,891	---	---	---	1,266,891
---	743,422	---	---	743,422
1,266,891	743,422	1,093,077	793,425	22,203,645
681,901	(347,889)	---	168,536	8,265,539
---	---	---	---	274,830
(39,537)	---	---	(174,679)	(8,946,320)
(39,537)	---	---	(174,679)	(8,671,490)
642,364	(347,889)	---	(6,143)	(405,951)
1,592,018	1,249,704	---	1,156,668	16,121,551
\$ 2,234,382	\$ 901,815	\$ ---	\$ 1,150,525	\$ 15,715,600

**Roads and Bridges Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 273,000	\$ 273,000	\$ 282,079	\$ 9,079
Local revenue	26,000	26,000	122,273	96,273
State revenue	8,661,769	8,661,769	9,811,781	1,150,012
Other revenue	300,000	300,000	286,585	(13,415)
Total revenues	9,260,769	9,260,769	10,502,718	1,241,949
Expenditures:				
Salaries	4,200,068	4,322,903	4,243,215	79,688
Other compensation	134,089	113,254	71,915	41,339
Fringe benefits	1,425,963	1,323,963	1,233,569	90,394
Supplies	3,057,940	2,831,744	2,563,236	268,508
Services	9,740	20,379	19,850	529
Professional and contracted services	1,707,305	1,541,782	1,467,783	73,999
Rent, utilities and maintenance	897,900	173,754	143,027	30,727
Interdepartmental allocations	(3,135,316)	(2,006,526)	(1,775,576)	(230,950)
Asset acquisitions	881,925	431,457	428,106	3,351
Total expenditures	9,179,614	8,752,710	8,395,125	357,585
Excess (deficiency) of revenues over expenditures	81,155	508,059	2,107,593	1,599,534
Other financing sources (uses):				
Transfers in	143,000	243,000	115,055	(127,945)
Transfers out	(3,115,000)	(3,410,338)	(2,768,216)	642,122
Planned change in fund balance	2,890,845	2,659,279	---	(2,659,279)
Total other financing sources (uses)	(81,155)	(508,059)	(2,653,161)	(2,145,102)
Net change in fund balance	\$ ---	\$ ---	\$ (545,568)	\$ (545,568)

**Solid Waste Management Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 60,000	\$ 60,000	\$ 43,630	\$ (16,370)
Total revenues	60,000	60,000	43,630	(16,370)
Expenditures:				
Salaries	90,443	100,734	94,747	5,987
Other compensation	6,710	5,610	5,100	510
Fringe benefits	40,630	31,439	28,453	2,986
Supplies	25,345	1,345	---	1,345
Services	300	300	273	27
Professional and contracted services	25,000	24,750	19,385	5,365
Rent, utilities and maintenance	45,582	6,541	6,390	151
Interdepartmental allocations	---	63,291	49,057	14,234
Total expenditures	234,010	234,010	203,405	30,605
Excess (deficiency) of revenues over expenditures	(174,010)	(174,010)	(159,775)	14,235
Other financing sources (uses):				
Transfers in	174,010	174,010	159,775	(14,235)
Total other financing sources (uses)	174,010	174,010	159,775	(14,235)
Net change in fund balance	\$ ---	\$ ---	\$ ---	\$ ---

**Hotel Motel Tax Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 10,300,000	\$ 10,300,000	\$ 10,522,938	\$ 222,938
Local revenue	351,210	351,210	---	(351,210)
State revenue	4,000,000	6,430,659	5,000,535	(1,430,124)
Total revenues	<u>14,651,210</u>	<u>17,081,869</u>	<u>15,523,473</u>	<u>(1,558,396)</u>
Expenditures:				
Intergovernmental expenditures	395,099	395,099	395,099	---
Special funded projects	8,643,434	9,313,201	9,313,201	---
Contingencies and restrictions	(351,211)	1,409,681	---	1,409,681
Total expenditures	<u>8,687,322</u>	<u>11,117,981</u>	<u>9,708,300</u>	<u>1,409,681</u>
Excess (deficiency) of revenues over expenditures	<u>5,963,888</u>	<u>5,963,888</u>	<u>5,815,173</u>	<u>(148,715)</u>
Other financing sources (uses):				
Transfers out	(5,963,888)	(5,963,888)	(5,963,888)	---
Total other financing sources (uses)	<u>(5,963,888)</u>	<u>(5,963,888)</u>	<u>(5,963,888)</u>	<u>---</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (148,715)</u>	<u>\$ (148,715)</u>

**Sheriff Narcotics Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 545,000	\$ 315,000	\$ 191,236	\$ (123,764)
Elected officials' fines and fees	340,000	570,000	1,718,269	1,148,269
Other revenue	30,000	30,000	39,287	9,287
Total revenues	915,000	915,000	1,948,792	1,033,792
Expenditures:				
Supplies	599,538	469,408	380,506	88,902
Services	61,800	61,600	25,745	35,855
Professional and contracted services	95,311	105,311	98,938	6,373
Rent, utilities and maintenance	400,521	367,847	244,008	123,839
Interdepartmental allocations	---	125,000	105,590	19,410
Asset acquisitions	430,249	430,249	402,104	28,145
Grants	---	10,000	10,000	---
Total expenditures	1,587,419	1,569,415	1,266,891	302,524
Excess (deficiency) of revenues over expenditures	(672,419)	(654,415)	681,901	1,336,316
Other financing sources (uses):				
Transfers out	(13,965)	(70,057)	(39,537)	30,520
Planned change in fund balance	686,384	724,472	---	(724,472)
Total other financing sources (uses)	672,419	654,415	(39,537)	(693,952)
Net change in fund balance	\$ ---	\$ ---	\$ 642,364	\$ 642,364

**Register Data Processing Fees Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 421,200	\$ 421,200	\$ 373,468	\$ (47,732)
Other revenue	18,500	18,500	22,065	3,565
Total revenues	<u>439,700</u>	<u>439,700</u>	<u>395,533</u>	<u>(44,167)</u>
Expenditures:				
Supplies	91,617	80,229	53,581	26,648
Services	3,000	3,000	---	3,000
Professional and contracted services	852,318	1,394,322	530,232	864,090
Rent, utilities and maintenance	90,000	135,647	128,389	7,258
Asset acquisitions	45,000	70,667	31,220	39,447
Total expenditures	<u>1,081,935</u>	<u>1,683,865</u>	<u>743,422</u>	<u>940,443</u>
Excess (deficiency) of revenues over expenditures	<u>(642,235)</u>	<u>(1,244,165)</u>	<u>(347,889)</u>	<u>896,276</u>
Other financing sources (uses):				
Planned change in fund balance	<u>642,235</u>	<u>1,244,165</u>	<u>---</u>	<u>(1,244,165)</u>
Total other financing sources (uses)	<u>642,235</u>	<u>1,244,165</u>	<u>---</u>	<u>(1,244,165)</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (347,889)</u>	<u>\$ (347,889)</u>

**Car Rental Tax Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 2,000,000	\$ 2,000,000	\$ 1,093,077	\$ (906,923)
Total revenues	2,000,000	2,000,000	1,093,077	(906,923)
Expenditures:				
Special funded projects	2,000,000	2,000,000	1,093,077	906,923
Total expenditures	2,000,000	2,000,000	1,093,077	906,923
Net change in fund balance	\$ ---	\$ ---	\$ ---	\$ ---

**Health Services Restricted Fees Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ 783,187	\$ 961,961	\$ 178,774
Total revenues	---	783,187	961,961	178,774
Expenditures:				
Salaries	---	626,762	601,602	25,160
Fringe benefits	---	162,110	156,293	5,817
Supplies	---	21,844	17,804	4,040
Services	---	28,250	5,852	22,398
Professional and contracted services	---	37,150	744	36,406
Rent, utilities and maintenance	---	25,800	9,806	15,994
Interdepartmental allocations	---	1,500	1,324	176
Asset acquisitions	---	68,250	---	68,250
Total expenditures	---	971,666	793,425	178,241
Excess (deficiency) of revenues over expenditures	---	(188,479)	168,536	357,015
Other financing sources (uses):				
Transfers out	---	(184,888)	(174,679)	10,209
Planned change in fund balance	---	373,367	---	(373,367)
Total other financing sources (uses)	---	188,479	(174,679)	(363,158)
Net change in fund balance	\$ ---	\$ ---	\$ (6,143)	\$ (6,143)



**Internal Service Funds**  
**Combining Statement of Net Assets**  
**June 30, 2005**

	Central Services Fund	Group Hospital Insurance Fund
Assets:		
Current Assets:		
Cash and cash equivalents	\$ 353,403	\$ 20,632,508
Accounts receivable and accrued revenues	2,698	84,948
Due from other governmental entities	263,653	---
Inventories	215,523	---
Deposits held by others	---	261,525
Total Current Assets	<u>835,277</u>	<u>20,978,981</u>
Noncurrent Assets:		
Capital assets, net	<u>410,148</u>	<u>---</u>
Total Assets	<u>\$ 1,245,425</u>	<u>\$ 20,978,981</u>
Liabilities:		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 147,631	\$ 557,807
Deferred revenue	---	3,221,439
Sick and annual leave payable	32,007	---
Claims payable	---	8,000,000
Total Current Liabilities	<u>179,638</u>	<u>11,779,246</u>
Noncurrent Liabilities:		
Sick and annual leave payable	39,195	---
Long term claims payable	---	---
Total Noncurrent Liabilities	<u>39,195</u>	<u>---</u>
Total Liabilities	<u>218,833</u>	<u>11,779,246</u>
Net Assets:		
Invested in capital assets, net of related debt	410,148	---
Undesignated	<u>616,444</u>	<u>9,199,735</u>
Total Net Assets	<u>1,026,592</u>	<u>9,199,735</u>
Total Liabilities and Net Assets	<u>\$ 1,245,425</u>	<u>\$ 20,978,981</u>

Group Life Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
\$ 1,413,352	\$ 3,074,179	\$ 3,230,613	\$ 28,704,055
65	---	35,304	123,015
---	---	---	263,653
---	---	---	215,523
---	---	---	261,525
<u>1,413,417</u>	<u>3,074,179</u>	<u>3,265,917</u>	<u>29,567,771</u>
---	---	---	410,148
<u>\$ 1,413,417</u>	<u>\$ 3,074,179</u>	<u>\$ 3,265,917</u>	<u>\$ 29,977,919</u>
\$ 572,826	9,227	\$ 1,711,041	\$ 2,998,532
178,328	---	---	3,399,767
---	---	---	32,007
---	2,978,452	644,044	11,622,496
<u>751,154</u>	<u>2,987,679</u>	<u>2,355,085</u>	<u>18,052,802</u>
---	---	---	39,195
---	---	4,024,859	4,024,859
---	---	4,024,859	4,064,054
<u>751,154</u>	<u>2,987,679</u>	<u>6,379,944</u>	<u>22,116,856</u>
---	---	---	410,148
<u>662,263</u>	<u>86,500</u>	<u>(3,114,027)</u>	<u>7,450,915</u>
<u>662,263</u>	<u>86,500</u>	<u>(3,114,027)</u>	<u>7,861,063</u>
<u>\$ 1,413,417</u>	<u>\$ 3,074,179</u>	<u>\$ 3,265,917</u>	<u>\$ 29,977,919</u>

**Internal Service Funds**

**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**For the Year Ended June 30, 2005**

	Central Services Fund	Group Hospital Insurance Fund
Operating revenues:		
Premium revenue	\$ ---	\$ 55,950,226
Charges for services	5,253,604	---
Total operating revenues	<u>5,253,604</u>	<u>55,950,226</u>
Operating expenses:		
Salaries and wages	700,902	---
Fringe benefits	209,273	---
Supplies	1,078,962	---
Claims incurred	---	43,174,362
Services	245,149	4,337,733
Professional and contracted services	176,885	12,142
Rent, utilities and maintenance	2,876,628	---
Depreciation	94,454	---
Other expenses	277	---
Total operating expenses	<u>5,382,530</u>	<u>47,524,237</u>
Operating income (loss)	(128,926)	8,425,989
Nonoperating revenues:		
Interest income	---	---
Loss on asset disposition	<u>(50,457)</u>	<u>---</u>
Income (loss) before transfers	(179,383)	8,425,989
Other financing sources (uses):		
Transfers in	129,009	---
Transfers out	<u>(217,855)</u>	<u>(700,692)</u>
Net transfers	<u>(88,846)</u>	<u>(700,692)</u>
Change in net assets	(268,229)	7,725,297
Net Assets:		
June 30, 2004	<u>1,294,821</u>	<u>1,474,438</u>
June 30, 2005	<u>\$ 1,026,592</u>	<u>\$ 9,199,735</u>

---

Group Life Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
\$ 2,255,307	\$ 285,650	\$ 4,403,772	\$ 62,894,955
---	---	74,939	5,328,543
<u>2,255,307</u>	<u>285,650</u>	<u>4,478,711</u>	<u>68,223,498</u>
---	---	---	700,902
---	---	---	209,273
---	---	---	1,078,962
2,707,795	209,987	3,649,817	49,741,961
---	---	6,102	4,588,984
---	---	---	189,027
---	---	---	2,876,628
---	---	---	94,454
---	---	---	277
<u>2,707,795</u>	<u>209,987</u>	<u>3,655,919</u>	<u>59,480,468</u>
(452,488)	75,663	822,792	8,743,030
31,509	---	---	31,509
<u>---</u>	<u>---</u>	<u>---</u>	<u>(50,457)</u>
(420,979)	75,663	822,792	8,724,082
---	---	250,000	379,009
<u>---</u>	<u>---</u>	<u>(292,045)</u>	<u>(1,210,592)</u>
<u>---</u>	<u>---</u>	<u>(42,045)</u>	<u>(831,583)</u>
(420,979)	75,663	780,747	7,892,499
1,083,242	10,837	(3,894,774)	(31,436)
<u>\$ 662,263</u>	<u>\$ 86,500</u>	<u>\$ (3,114,027)</u>	<u>\$ 7,861,063</u>

**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2005**

	Central Services Fund	Group Hospital Insurance Fund
Cash flows from operations:		
Receipts from customers	\$ 5,189,761	\$ ---
Premiums received	---	56,102,135
Payments to suppliers	(4,973,818)	(4,782,639)
Cash payments to employees	(1,063,515)	---
Claims paid	---	(44,275,362)
Net cash provided by (used in) operating activities	(847,572)	7,044,134
Cash flows from noncapital financing activities:		
Transfers from other funds	129,009	---
Transfers to other funds	---	(700,692)
Net cash provided by (used in) noncapital financing activities	129,009	(700,692)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(41,978)	---
Net cash used in capital and related financing activities	(41,978)	---
Cash flow from investing activities:		
Interest and investment earnings	---	---
Net cash provided by (used in) investing activities	---	---
Net increase (decrease) in cash and cash equivalents	(760,541)	6,343,442
Cash and cash equivalents, June 30, 2004	1,113,944	14,289,066
Cash and cash equivalents, June 30, 2005	\$ 353,403	\$ 20,632,508

Group Life Insurance Fund	Tort Liability Fund	Employer Insurance Fund	Total
\$ ---	\$ ---	\$ ---	\$ 5,189,761
2,206,645	305,650	4,529,232	63,143,662
---	---	---	(9,756,457)
---	---	---	(1,063,515)
(2,134,969)	(620,937)	(3,504,117)	(50,535,385)
71,676	(315,287)	1,025,115	6,978,066
---	---	250,000	379,009
---	---	(292,045)	(992,737)
---	---	(42,045)	(613,728)
---	---	---	(41,978)
---	---	---	(41,978)
31,509	---	---	31,509
31,509	---	---	31,509
103,185	(315,287)	983,070	6,353,869
1,310,167	3,389,466	2,247,543	22,350,186
\$ 1,413,352	\$ 3,074,179	\$ 3,230,613	\$ 28,704,055
(continued)			

**Internal Service Funds**  
**Combining Statement of Cash Flows (continued)**  
**For the Year Ended June 30, 2005**

	Central Services Fund	Group Hospital Insurance Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating Income (loss)	\$ (128,926)	\$ 8,425,989
Adjustments:		
Depreciation	94,454	---
Changes in assets and liabilities:		
Accounts payable and accrued liabilities	(558,423)	(312,126)
Sick and annual leave	(153,340)	---
Deferred revenue	---	(16,997)
Insurance claims payable	---	(1,101,000)
Deposits	---	(120,638)
Accounts receivable and accrued revenues	(63,843)	168,906
Inventories	(37,494)	---
Total adjustments	(718,646)	(1,381,855)
Net cash provided by (used in) operating activities	\$ (847,572)	\$ 7,044,134
Noncash investing, capital, and financing activities:		
Capital assets, net transferred to General Funds	\$ 217,855	

<u>Group Life Insurance Fund</u>	<u>Tort Liability Fund</u>	<u>Employer Insurance Fund</u>	<u>Total</u>
<u>\$ (452,488)</u>	<u>\$ 75,663</u>	<u>\$ 822,792</u>	<u>\$ 8,743,030</u>
---	---	---	94,454
572,826	(4,230)	161,222	(140,731)
---	---	---	(153,340)
(48,597)	---	---	(65,594)
---	(406,720)	(9,420)	(1,517,140)
---	---	---	(120,638)
(65)	20,000	50,521	175,519
---	---	---	(37,494)
<u>524,164</u>	<u>(390,950)</u>	<u>202,323</u>	<u>(1,764,964)</u>
<u>\$ 71,676</u>	<u>\$ (315,287)</u>	<u>\$ 1,025,115</u>	<u>\$ 6,978,066</u>



**Nonmajor Component Units**  
**Combining Statement of Net Assets**  
**June 30, 2005**

	Agricenter International	Emergency Communications District	Total
Assets:			
Cash and cash equivalents	\$ 104,654	\$ 1,861,361	\$ 1,966,015
Investments	400,000	4,108,106	4,508,106
Receivables	155,740	894,239	1,049,979
Inventories	2,955	---	2,955
Prepaid expenses	36,760	---	36,760
Capital assets, net	1,957,449	4,407,948	6,365,397
Total Assets	<u>\$ 2,657,558</u>	<u>\$ 11,271,654</u>	<u>\$ 13,929,212</u>
Liabilities:			
Accounts payable and accrued expenses	\$ 146,823	\$ 193,431	\$ 340,254
Deferred revenue	186,885	---	186,885
Long-term liabilities			
Due within one year	184,674	---	184,674
Due in more than one year	12,133	---	12,133
Total Liabilities	<u>530,515</u>	<u>193,431</u>	<u>723,946</u>
Net Assets:			
Invested in capital assets, net of related debt	1,938,177	4,407,948	6,346,125
Unrestricted	188,866	6,670,275	6,859,141
Total Net Assets	<u>2,127,043</u>	<u>11,078,223</u>	<u>13,205,266</u>
Total Liabilities and Net Assets	<u>\$ 2,657,558</u>	<u>\$ 11,271,654</u>	<u>\$ 13,929,212</u>

**Nonmajor Component Units**  
**Combining Statement of Activities**  
**For the Year Ended June 30, 2005**

		Program Revenues	Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Agricenter International	Emergency Communications District	Total Nonmajor Component Units
Agricenter International	\$ 2,291,674	\$ 2,308,432	\$ 16,758	\$ ---	\$ 16,758
Emergency Communications District	3,231,503	5,901,930	---	2,670,427	2,670,427
Total nonmajor component units	<u>\$ 5,523,177</u>	<u>\$ 8,210,362</u>	<u>16,758</u>	<u>2,670,427</u>	<u>2,687,185</u>
General revenues:					
Other sources			425,276	---	425,276
Unrestricted investment earnings			13,691	69,722	83,413
Total general revenues			<u>438,967</u>	<u>69,722</u>	<u>508,689</u>
Changes in net assets			455,725	2,740,149	3,195,874
Net assets - June 30, 2004, as restated			1,671,318	8,338,074	10,009,392
Net assets - June 30, 2005			<u>\$ 2,127,043</u>	<u>\$ 11,078,223</u>	<u>\$ 13,205,266</u>

**Constitutional Officers  
General and Agency Funds  
Combined Schedule of Assets and Liabilities  
June 30, 2005**

	Sheriff	Chancery Court Clerk	Circuit Court Clerk	Criminal Court Clerk	General Sessions Court
Assets:					
Cash and cash equivalents	\$ 4,704	\$ 9,004,235	\$ 14,224,588	\$ 2,711,951	\$ 5,303,663
Investments	---	---	1,000,000	---	1,800,000
Receivables	---	---	---	437,401	---
Total Assets	<u>\$ 4,704</u>	<u>\$ 9,004,235</u>	<u>\$ 15,224,588</u>	<u>\$ 3,149,352</u>	<u>\$ 7,103,663</u>
Liabilities:					
Funds held for others	\$ 4,704	\$ 8,633,157	\$ 14,966,471	\$ 2,122,158	\$ 5,278,563
Due to other governmental entities	---	---	26,562	90,569	277,863
Due to other funds and departments	---	371,078	231,555	936,625	1,547,237
Accounts payable and accrued expenses	---	---	---	---	---
Total Liabilities	<u>\$ 4,704</u>	<u>\$ 9,004,235</u>	<u>\$ 15,224,588</u>	<u>\$ 3,149,352</u>	<u>\$ 7,103,663</u>

Probate Court Clerk	Juvenile Court Clerk	County Clerk	Register	Trustee	Elimination of General Funds	Total
\$ 3,741,130	\$ 6,480,522	\$ 12,550,504	\$ 3,527,274	\$ 249,669,968	\$ (248,975,221)	\$ 58,243,318
---	---	2,000,000	---	800,000	---	5,600,000
---	---	741,826	---	222,558	(673,677)	728,108
<u>\$ 3,741,130</u>	<u>\$ 6,480,522</u>	<u>\$ 15,292,330</u>	<u>\$ 3,527,274</u>	<u>\$ 250,692,526</u>	<u>\$ (249,648,898)</u>	<u>\$ 64,571,426</u>
\$ 3,599,980	\$ 6,318,695	\$ 146,716	\$ ---	\$ 3,465,989	\$ ---	\$ 44,536,433
2,487	---	7,206,337	2,874,419	9,465,902	---	19,944,139
47,809	161,827	7,939,277	652,855	237,760,635	(249,648,898)	---
90,854	---	---	---	---	---	90,854
<u>\$ 3,741,130</u>	<u>\$ 6,480,522</u>	<u>\$ 15,292,330</u>	<u>\$ 3,527,274</u>	<u>\$ 250,692,526</u>	<u>\$ (249,648,898)</u>	<u>\$ 64,571,426</u>

**Constitutional Officers  
General and Agency Funds**

**Combined Schedule of Cash Receipts, Disbursement and Balance  
For the Year Ended June 30, 2005**

	Sheriff	Chancery Court Clerk	Circuit Court Clerk	Criminal Court Clerk	General Sessions Court
Receipts:					
Fund accounts	\$ 750	\$ 6,805,703	\$ 12,615,827	\$ 3,795,672	\$ 11,604,139
State of Tennessee	---	---	---	---	---
Fee & commission	---	3,671,274	1,825,165	3,642,382	6,513,604
Interest	---	105,245	112,367	27,566	147,028
Total receipts	<u>750</u>	<u>10,582,222</u>	<u>14,553,359</u>	<u>7,465,620</u>	<u>18,264,771</u>
Disbursements	<u>3,183</u>	<u>12,802,929</u>	<u>15,351,274</u>	<u>8,097,029</u>	<u>17,897,590</u>
Excess of receipts over (under) disbursements	(2,433)	(2,220,707)	(797,915)	(631,409)	367,181
Balance - June 30, 2004	<u>7,137</u>	<u>11,224,942</u>	<u>16,022,503</u>	<u>3,343,360</u>	<u>6,736,482</u>
Balance - June 30, 2005	<u><u>\$ 4,704</u></u>	<u><u>\$ 9,004,235</u></u>	<u><u>\$ 15,224,588</u></u>	<u><u>\$ 2,711,951</u></u>	<u><u>\$ 7,103,663</u></u>

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Probate Court Clerk	Juvenile Court Clerk	County Clerk	Register	Trustee	Total
\$ 2,654,767	\$ 6,639,394	\$ 123,651,500	\$ 29,885,758	\$ 3,146,646,467	\$ 3,344,299,977
---	10,170	---	---	---	10,170
496,675	1,283,777	8,481,947	6,588,549	17,746,171	50,249,544
5,632	1,481	371,204	22,065	575,440	1,368,028
<u>3,157,074</u>	<u>7,934,822</u>	<u>132,504,651</u>	<u>36,496,372</u>	<u>3,164,968,078</u>	<u>3,395,927,719</u>
 1,622,712	 7,913,141	 132,960,154	 36,271,964	 3,165,839,764	 3,398,759,740
 1,534,362	 21,681	 (455,503)	 224,408	 (871,686)	 (2,832,021)
<u>2,206,768</u>	<u>6,458,841</u>	<u>15,006,007</u>	<u>3,302,866</u>	<u>251,341,654</u>	<u>315,650,560</u>
<u>\$ 3,741,130</u>	<u>\$ 6,480,522</u>	<u>\$ 14,550,504</u>	<u>\$ 3,527,274</u>	<u>\$ 250,469,968</u>	<u>\$ 312,818,539</u>

**Constitutional Officers  
General Fund**

**Combined Schedule of Changes in Fee and Commission Accounts  
For the Year Ended June 30, 2005**

	Sheriff	Chancery Court Clerk	Circuit Court Clerk	Criminal Court Clerk	General Sessions Court
Revenues:					
Fees and commission	\$ ---	\$ 3,671,274	\$ 1,825,165	\$ 3,642,382	\$ 6,513,604
Interest	---	105,245	112,367	27,566	147,028
Other	---	---	---	---	---
Total revenues	---	3,776,519	1,937,532	3,669,948	6,660,632
Expenditures and other uses:					
Other uses:					
Transfers	---	3,776,519	1,937,532	3,669,948	6,660,632
Total expenditures and other uses	---	3,776,519	1,937,532	3,669,948	6,660,632
Excess of revenues and other uses over (under) expenditures and other uses	---	---	---	---	---
Excess fees - June 30, 2004	---	---	---	---	---
Excess fees - June 30, 2005	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---

Probate Court Clerk	Juvenile Court Clerk	County Clerk	Register	Trustee	Total
\$ 496,675	\$ 1,283,777	\$ 8,481,947	\$ 6,588,399	\$ 17,746,171	\$ 50,249,394
5,632	1,481	371,204	22,065	484,067	1,276,655
---	---	---	---	91,373	91,373
502,307	1,285,258	8,853,151	6,610,464	18,321,611	51,617,422
502,307	1,285,258	8,853,151	6,610,464	18,321,611	51,617,422
---	---	---	---	---	---
---	---	---	---	---	---
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---



## Schedule of General Obligation Bonds-Except for School Purposes

June 30, 2005

	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation
Date of Issuance	05/22/91	04/01/92 (s) 04/30/92 (c)	05/15/93	07/01/96	09/01/96	11/01/96 (s) 11/14/96 (c)
Principal	\$ 5,098,681	\$ 51,129,321	\$ 43,028,564	\$ 45,000,000	\$ 70,000,000	\$ 43,640,742
Interest Rate %	6.50-6.60	3.15-6.50	3.40-5.50	5.625-5.875	5.25-5.70	5.00-6.00
Fiscal Year						
2006	\$ 1,586,117	\$ ---	\$ 3,967,311	\$ 1,450,000	\$ 2,250,000	\$ 1,060,068
2007	---	1,175,207	1,617,657	---	2,250,000	1,126,899
2008	---	1,094,491	1,718,237	---	---	1,186,816
2009	---	1,026,675	1,824,404	---	---	1,249,037
2010	---	---	1,936,160	---	---	12,246,095
2011	---	---	---	---	---	8,459,807
2012	---	---	---	---	---	6,227,582
2013	---	---	---	---	---	5,548,176
2014	---	---	---	---	---	928,841
2015	---	---	---	---	---	871,662
2016	---	---	---	---	---	817,210
2017	---	---	---	---	---	772,912
2018	---	---	---	---	---	---
2019	---	---	---	---	---	---
2020	---	---	---	---	---	---
2021	---	---	---	---	---	---
2022	---	---	---	---	---	---
2023	---	---	---	---	---	---
2024	---	---	---	---	---	---
2025	---	---	---	---	---	---
2026	---	---	---	---	---	---
2027	---	---	---	---	---	---
2028	---	---	---	---	---	---
2029	---	---	---	---	---	---
2030	---	---	---	---	---	---
Total	\$ 1,586,117	\$ 3,296,373	\$ 11,063,769	\$ 1,450,000	\$ 4,500,000	\$ 40,495,105

(s) Serial Bonds

(c) Capital Appreciation Bonds

Note: Certain bonds are treated as defeased and not included above. The specific series and maturities are shown following these schedules of general obligation bonds.

General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation
11/01/96	05/01/97	11/01/97	2/15/98	1/28/99	2/1/99	
\$ 19,045,000	\$ 10,770,000	\$ 34,019,243	\$ 74,569,175	\$ 62,294,624	\$ 34,913,216	
4.05-5.20	5.25-5.60	4.50-5.75	5.00-5.10	(Variable)	3.55-5.25	
\$ 2,055,000	\$ 955,000	\$ 2,307,492	\$ 327,319	\$ 80,986	\$ 1,186,469	
2,150,000	1,005,000	1,259,630	327,319	97,184	1,183,596	
2,265,000	1,065,000	1,323,945	342,197	10,512,015	2,145,986	
1,900,000	1,125,000	7,592,292	371,953	404,931	3,223,289	
---	1,195,000	2,800,050	386,831	437,326	8,003,639	
---	---	1,846,307	401,709	6,252,139	5,271,600	
---	---	1,954,544	416,588	8,633,134	3,786,359	
---	---	938,662	5,147,832	6,025,377	1,924,780	
---	---	888,604	6,695,157	9,475,391	---	
---	---	839,725	6,977,842	8,260,598	---	
---	---	2,094,155	7,959,798	2,656,349	---	
---	---	790,142	7,903,261	2,753,533	---	
---	---	2,229,059	7,885,408	2,915,505	---	
---	---	2,362,395	8,284,142	3,028,886	---	
---	---	1,027,469	8,748,339	340,142	---	
---	---	---	7,736,626	---	---	
---	---	---	2,975,626	---	---	
---	---	---	---	---	---	
---	---	---	---	---	---	
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---	---	---	---	---	---	
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---	---	---	---	---	---	
---	---	---	---	---	---	
---	---	---	---	---	---	
\$ 8,370,000	\$ 5,345,000	\$ 30,254,471	\$ 72,887,947	\$ 61,873,495	\$ 26,725,718	

## Schedule of General Obligation Bonds-Except for School Purposes

June 30, 2005

	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation
Date of Issuance	2/15/99	5/1/99	12/1/99	10/1/00	10/1/00	12/1/00
Principal	\$ 36,010,135	\$ 32,436,299	\$ 10,006,639	\$ 6,037,543	\$ 4,879,089	\$ 16,284,078
Interest Rate %	4.00-5.00	4.75-5.00	(Variable)	4.75-5.625	5.00	(Variable)
Fiscal Year						
2006	\$ 1,108,004	\$ 965,719	\$ 1,326,181	\$ 127,795	\$ 436,468	\$ 1,718,045
2007	1,135,704	1,016,546	1,386,462	137,857	1,215,875	821,674
2008	1,163,404	1,016,546	1,507,024	137,857	802,789	821,674
2009	1,218,804	1,016,546	---	148,926	841,760	896,371
2010	---	---	---	148,926	---	896,371
2011	---	---	---	---	---	7,320,365
2012	---	---	---	---	---	---
2013	---	---	---	---	---	---
2014	---	---	---	---	---	---
2015	---	---	---	---	---	---
2016	---	---	---	---	---	---
2017	---	---	---	---	---	---
2018	---	---	---	---	---	---
2019	1,939,007	---	---	---	---	---
2020	2,077,508	---	---	---	---	---
2021	2,077,508	1,863,668	---	---	---	---
2022	2,216,008	2,041,564	---	---	---	---
2023	2,326,809	2,151,690	---	---	---	---
2024	2,493,009	2,244,873	---	---	---	---
2025	---	---	---	---	---	---
2026	---	---	---	---	---	---
2027	---	---	---	---	---	---
2028	---	---	---	---	---	---
2029	---	---	---	---	---	---
2030	---	---	---	---	---	---
Total	<u>\$ 17,755,765</u>	<u>\$ 12,317,152</u>	<u>\$ 4,219,667</u>	<u>\$ 701,361</u>	<u>\$ 3,296,892</u>	<u>\$ 12,474,500</u>

General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation
11/1/2001	12/1/2001	6/10/2003	3/31/2004	4/15/2004	3/10/2005
\$ 14,693,304	\$ 100,033,534	\$ 57,220,000	\$ 18,881,170	\$ 60,754,734	\$ 165,792,000
4.25-4.75	4.50 - 5.00	4.00-5.00	3.00-5.00	(Variable)	3.00-5.00
\$ 1,734,399	\$ 3,265,754	\$ 905,000	\$ 1,392,160	\$ ---	\$ 5,467,000
---	3,392,579	1,035,000	1,528,608	---	21,386,000
---	3,535,258	1,180,000	1,680,875	---	5,917,000
---	3,677,936	1,340,000	1,850,940	---	5,173,000
---	3,804,762	1,270,000	2,036,825	---	3,844,000
---	3,963,293	865,000	2,240,508	---	7,496,000
---	---	---	2,461,987	---	14,177,000
---	---	---	2,709,175	---	14,497,000
---	---	---	2,980,092	---	22,050,000
---	---	---	---	3,278,695	19,196,000
---	---	---	---	3,606,960	12,073,000
---	---	3,725,000	---	3,966,865	9,076,000
---	---	4,095,000	---	4,362,365	9,405,000
---	---	4,505,000	---	4,801,370	7,901,000
---	---	4,955,000	---	5,279,925	8,134,000
---	6,151,032	5,450,000	---	5,807,918	---
---	6,436,389	5,995,000	---	6,389,303	---
---	6,753,453	6,595,000	---	7,028,035	---
---	7,070,516	---	---	7,730,048	---
---	---	---	---	8,503,250	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
\$ 1,734,399	\$ 48,050,972	\$ 41,915,000	\$ 18,881,169	\$ 60,754,734	\$ 165,792,000

## Schedule of General Obligation Bonds-Except for School Purposes

June 30, 2005

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	Combined Total
Date of Issuance	
Principal	
Interest Rate %	
Fiscal Year	
2006	\$ 35,672,287
2007	45,248,796
2008	39,416,114
2009	34,881,864
2010	39,005,985
2011	44,116,727
2012	37,657,194
2013	36,791,002
2014	43,018,085
2015	39,424,522
2016	29,207,472
2017	28,987,713
2018	30,892,337
2019	32,821,800
2020	30,562,383
2021	29,086,752
2022	26,053,890
2023	24,854,987
2024	19,538,446
2025	8,503,250
2026	---
2027	---
2028	---
2029	---
2030	---
Total	<u>\$ 655,741,606</u>

## Schedule of General Obligation Bonds-School Purposes

June 30, 2005

	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation
Date of Issuance	04/01/92 (s) 04/30/92 (c)	05/15/93	06/15/96	11/01/96 (s) 11/14/96(c)	11/01/97	2/15/98
Principal	\$ 33,689,029	\$ 33,976,436	\$ 60,000,000	\$ 51,045,323	\$ 74,415,173	\$ 50,730,825
Interest Rate %	3.15-6.50	3.40-5.50	5.625-5.875	5.00-6.00	4.50-5.75	5.00-5.10
Fiscal Year						
2006	\$ ---	\$ 3,132,689	\$ 1,925,000	\$ 1,239,932	\$ 5,047,508	\$ 222,681
2007	774,343	1,277,343	---	1,318,101	2,755,370	222,681
2008	721,159	1,356,763	---	1,388,184	2,896,055	232,803
2009	676,475	1,440,596	---	1,460,963	16,607,708	253,047
2010	---	1,528,840	---	14,323,905	6,124,950	263,169
2011	---	---	---	9,895,193	4,038,693	273,291
2012	---	---	---	7,284,225	4,275,456	283,412
2013	---	---	---	6,489,541	2,053,270	3,502,168
2014	---	---	---	1,086,439	1,943,772	4,554,843
2015	---	---	---	1,019,558	1,836,850	4,747,158
2016	---	---	---	955,867	4,580,845	5,415,202
2017	---	---	---	904,052	1,728,391	5,376,739
2018	---	---	---	---	4,875,941	5,364,592
2019	---	---	---	---	5,167,605	5,635,858
2020	---	---	---	---	2,247,531	5,951,661
2021	---	---	---	---	---	5,263,374
2022	---	---	---	---	---	2,024,374
2023	---	---	---	---	---	---
2024	---	---	---	---	---	---
2025	---	---	---	---	---	---
2026	---	---	---	---	---	---
2027	---	---	---	---	---	---
2028	---	---	---	---	---	---
2029	---	---	---	---	---	---
2030	---	---	---	---	---	---
Total	\$ 2,171,977	\$ 8,736,231	\$ 1,925,000	\$ 47,365,960	\$ 66,179,945	\$ 49,587,053

(s) Serial Bonds

(c) Capital Appreciation Bonds

General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation
1/28/99	2/1/99	2/15/99	5/1/99	12/1/99	10/1/00
\$ 33,855,377	\$ 25,851,784	\$ 28,989,865	\$ 63,288,701	\$ 6,593,361	\$ 143,962,457
(Variable)	3.55-5.25	4.00-5.00	4.75-5.00	(Variable)	4.75-5.625
\$ 44,014	\$ 878,531	\$ 891,996	\$ 1,884,281	\$ 873,819	\$ 3,047,205
52,817	876,404	914,296	1,983,454	913,538	3,287,143
5,712,985	1,589,014	936,596	1,983,454	992,976	3,287,143
220,069	2,386,711	981,196	1,983,454	---	3,551,074
237,674	5,926,361	---	---	---	3,551,074
3,397,862	3,903,400	---	---	---	---
4,691,866	2,803,641	---	---	---	---
3,274,623	1,425,220	---	---	---	---
5,149,609	---	---	---	---	---
4,489,403	---	---	---	---	---
1,443,651	---	---	---	---	---
1,496,468	---	---	---	---	---
1,584,495	---	---	---	---	---
1,646,114	---	1,560,993	---	---	---
184,858	---	1,672,492	---	---	---
---	---	1,672,492	3,636,332	---	---
---	---	1,783,992	3,983,436	---	---
---	---	1,873,191	4,198,310	---	---
---	---	2,006,991	4,380,127	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
\$ 33,626,505	\$ 19,789,282	\$ 14,294,235	\$ 24,032,848	\$ 2,780,333	\$ 16,723,639

## Schedule of General Obligation Bonds-School Purposes

June 30, 2005

	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation
Date of Issuance	10/1/00	12/1/00	11/1/2001	12/1/2001	6/10/2003	11/12/2003
Principal \$	10,770,911	\$ 5,515,922	\$ 5,511,696	\$ 57,716,466	\$ 89,355,000	\$ 32,110,000
Interest Rate %	5.00	(Variable)	4.25-4.75	4.50-5.00	4.00-5.00	2.50-5.00
Fiscal Year						
2006	\$ 963,532	\$ 581,955	\$ 650,601	\$ 1,884,246	\$ 545,000	\$ 845,000
2007	2,684,125	278,326	---	1,957,421	660,000	860,000
2008	1,772,211	278,326	---	2,039,742	790,000	875,000
2009	1,858,240	303,629	---	2,122,063	925,000	895,000
2010	---	303,629	---	2,195,238	720,000	920,000
2011	---	2,479,635	---	2,286,706	2,260,000	950,000
2012	---	---	---	---	---	980,000
2013	---	---	---	---	---	1,020,000
2014	---	---	---	---	---	1,060,000
2015	---	---	---	---	---	1,105,000
2016	---	---	---	---	---	1,150,000
2017	---	---	---	---	3,275,000	1,200,000
2018	---	---	---	---	3,600,000	1,250,000
2019	---	---	---	---	3,960,000	1,310,000
2020	---	---	---	---	4,355,000	1,365,000
2021	---	---	---	3,548,968	4,795,000	1,430,000
2022	---	---	---	3,713,611	5,270,000	1,495,000
2023	---	---	---	3,896,547	5,800,000	1,570,000
2024	---	---	---	4,079,484	6,380,000	1,645,000
2025	---	---	---	---	7,015,000	1,725,000
2026	---	---	---	---	7,720,000	1,810,000
2027	---	---	---	---	8,490,000	1,905,000
2028	---	---	---	---	9,340,000	2,000,000
2029	---	---	---	---	---	1,910,000
2030	---	---	---	---	---	---
	<u>\$ 7,278,108</u>	<u>\$ 4,225,500</u>	<u>\$ 650,601</u>	<u>\$ 27,724,027</u>	<u>\$ 75,900,000</u>	<u>\$ 31,275,000</u>



General Obligation	General Obligation	General Obligation	Combined Total
3/31/2004	4/15/2004	3/10/2005	
\$ 28,858,830	\$ 176,950,269	\$ 241,373,000	
3.00-5.00	(Variable)	3.00-5.00	
\$ 2,127,840	\$ ---	\$ 3,663,000	\$ 30,448,830
2,336,393	---	2,154,000	25,305,755
2,569,125	---	5,133,000	34,554,537
2,829,060	---	4,992,000	43,486,286
3,113,175	---	6,911,000	46,119,016
3,424,493	---	12,719,000	45,628,273
3,763,013	---	13,068,000	37,149,613
4,140,825	---	10,413,000	32,318,648
4,554,908	---	19,085,000	37,434,571
---	5,011,305	23,034,000	41,243,275
---	5,513,040	27,887,000	46,945,606
---	6,063,135	20,044,000	40,087,786
---	6,667,635	25,380,000	48,722,664
---	7,338,630	20,504,000	47,123,201
---	8,070,075	19,026,000	42,872,618
---	8,877,083	6,195,000	35,418,250
---	9,765,698	6,090,000	34,126,112
---	10,741,965	5,205,000	33,285,014
---	11,814,953	5,170,000	35,476,556
---	12,996,750	4,700,000	26,436,751
---	13,775,000	---	23,305,001
---	15,150,000	---	25,545,001
---	16,665,000	---	28,005,001
---	18,335,000	---	20,245,001
---	20,165,000	---	20,165,001
<u>\$ 28,858,830</u>	<u>\$ 176,950,269</u>	<u>\$ 241,373,000</u>	<u>881,448,367</u>

Total general obligation bonds - except for school purposes 655,741,606

Total general obligation bonds \$ 1,537,189,972

## Schedule of Defeased Bonds

June 30, 2005

Defeased Bonds: \*\*

Bond Series			Maturity Dates	Total Defeased Principal
1996 Series A	Public Improvement	Current interest bonds	06/01/07-21	\$ 35,025,000
1996 Series A	School	Current interest bonds	06/01/07-21	46,700,000
1996 Series B	Public Improvement	Current interest bonds	11/01/07-16, 21	59,500,000
1999 Series A	Public Imp/School	Current interest bonds	05/01/10-18	24,700,000
1999 Series B	Public Imp/School	Current interest bonds	06/01/10-20	44,600,000
2000 Series A	Public Imp/School	Current interest bonds	04/01/11-21,25	124,975,000
2001 Series A	Public Imp/School	Current interest bonds	04/01/12-20	69,825,000
2003 Series A	Public Imp/School	Current interest bonds	03/01/12-16	26,530,000

\*\* All issues shown at original issue par value amounts. See Note IV (H) for an explanation of refundings and defeasance.

**Debt Service Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 119,080,000	\$ 119,080,000	\$ 121,689,521	\$ 2,609,521
Local revenue	2,227,005	2,227,005	2,704,356	477,351
State revenue	1,350,957	1,350,957	1,350,957	---
Elected officials' fines and fees	---	---	1,023,679	1,023,679
Other revenue	1,845	1,845	396,818	394,973
Total revenues	<u>122,659,807</u>	<u>122,659,807</u>	<u>127,165,331</u>	<u>4,505,524</u>
Expenditures:				
Professional and contracted services	55,061	55,061	38,501	16,560
Debt service & related cost	139,017,952	139,019,452	134,392,167	4,627,285
Contingencies and restrictions	1,814,870	2,053,370	---	2,053,370
Total expenditures	<u>140,887,883</u>	<u>141,127,883</u>	<u>134,430,668</u>	<u>6,697,215</u>
Excess (deficiency) of revenues over expenditures	<u>(18,228,076)</u>	<u>(18,468,076)</u>	<u>(7,265,337)</u>	<u>11,202,739</u>
Other Financing Sources (uses):				
Transfers in	17,903,079	18,143,079	16,689,941	(1,453,138)
Transfers out	(1,625,000)	(1,625,000)	(324,815)	1,300,185
Other sources/(uses)	---	---	10,684,324	---
Planned change in fund balance	1,949,997	1,949,997	---	(1,949,997)
Total other financing sources (uses)	<u>18,228,076</u>	<u>18,468,076</u>	<u>27,049,450</u>	<u>(2,102,950)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 19,784,113</u>	<u>\$ 9,099,789</u>

**General Fund**

**Budgetary Comparison Schedule-Summary By Type**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 210,430,000	\$ 210,430,000	\$ 212,588,811	\$ 2,158,811
Local revenue	26,249,122	25,583,935	26,178,599	594,664
State revenue	13,413,183	13,744,093	14,258,452	514,359
Federal revenue	11,800	34,267	12,035	(22,232)
Patient service revenue	982,750	982,750	497,522	(485,228)
Elected officials' fines and fees	54,589,632	54,633,007	53,040,414	(1,592,593)
Other revenue	2,970,815	3,025,815	4,985,342	1,959,527
Total revenues	308,647,302	308,433,867	311,561,175	3,127,308
Expenditures:				
Salaries	157,513,195	159,889,789	159,454,368	435,421
Other compensation	8,400,821	8,020,105	7,875,534	144,571
Fringe benefits	49,457,047	45,231,557	44,860,816	370,741
Supplies	12,628,926	11,796,677	11,185,800	610,877
Services	4,519,102	4,570,796	4,228,361	342,435
Professional and contracted services	30,667,207	28,668,240	28,273,184	395,056
Rent, utilities and maintenance	16,827,903	15,666,386	15,206,188	460,198
Interdepartmental allocations	(1,729,513)	(861,585)	(964,142)	102,557
Intergovernmental expenditures	200,000	202,000	201,082	918
Asset acquisitions	3,292,613	2,862,254	2,711,443	150,811
Debt service & related cost	2,700,000	1,648,000	1,646,472	1,528
Special funded projects	25,815,167	25,815,167	25,808,131	7,036
Grants	456,000	471,000	471,000	---
Contingencies and restrictions	(6,221,629)	---	---	---
Total expenditures	304,526,839	303,980,386	300,958,237	3,022,149
Excess (deficiency) of revenues over expenditures	4,120,463	4,453,481	10,602,938	6,149,457
Other Financing Sources (uses):				
Transfers in	12,459,769	13,650,290	12,962,317	(687,973)
Transfers out	(15,502,591)	(18,094,188)	(17,457,983)	636,205
Planned change in fund balance	(1,077,641)	(9,583)	---	9,583
Total other financing sources (uses)	(4,120,463)	(4,453,481)	(4,495,666)	(42,185)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 6,107,272	\$ 6,107,272

**General Fund**

**Budgetary Comparison Schedule-Summary By Department**  
**For the Year Ended June 30, 2005**

	Final Budget	Actual Amounts	Variance
Revenues:			
General government			
Public Defender	\$ 3,222,550	\$ 3,045,901	\$ (176,649)
Divorce Referee	325,000	329,990	4,990
County Attorney	100,000	279,644	179,644
Central Operations	224,496,917	228,094,993	3,598,076
Personnel	569,530	573,975	4,445
Purchasing	---	189	189
Information Technology	858,760	1,516,751	657,991
Board of Equalization	200,000	---	(200,000)
Election Commission	424,560	332,197	(92,363)
	<u>230,197,317</u>	<u>234,173,640</u>	<u>3,976,323</u>
Planning & development			
Department of Housing	5,000	15,883	10,883
	<u>5,000</u>	<u>15,883</u>	<u>10,883</u>
Public works			
Director and Staff - Public Works	923,000	1,145,106	222,106
County Engineer	258,000	204,116	(53,884)
Emergency Services	412,000	472,478	60,478
Shelby Farms	410,000	161,563	(248,437)
Conservation Board	410,000	344,277	(65,723)
Port Commission	500,000	720,621	220,621
Support Services	1,100,000	1,228,760	128,760
Archives	75,000	86,486	11,486
	<u>4,088,000</u>	<u>4,363,407</u>	<u>275,407</u>
Health services			
Forensic Services	758,400	623,008	(135,392)
Administration and Finance - Health Services	11,186,096	11,010,325	(175,771)
Environmental Health Services	1,897,633	1,973,890	76,257
Personal Health Services	2,674,586	1,715,573	(959,013)
Assessment and Assurance	723,225	889,207	165,982
	<u>17,239,940</u>	<u>16,212,003</u>	<u>(1,027,937)</u>
Community services			
Special Funded Projects	58,375	78,144	19,769
Victims Assistance Center	---	2,228	2,228
Pretrial Services	350,000	396,208	46,208
	<u>408,375</u>	<u>476,580</u>	<u>68,205</u>
			(continued)

**Budgetary Comparison Schedule-Summary By Department (continued)**  
**For the Year Ended June 30, 2005**

	Final Budget	Actual Amounts	Variance
Law enforcement			
Sheriff	\$ 3,636,000	\$ 3,718,467	\$ 82,467
	3,636,000	3,718,467	82,467
Judicial			
General Sessions Civil Court Judges	---	220,671	220,671
General Sessions Criminal Court Judges	1,250,000	340,548	(909,452)
Chancery Court Clerk	2,900,000	3,773,882	873,882
Circuit Court Clerk	1,763,580	1,850,966	87,386
Criminal Court Clerk	4,045,500	3,665,380	(380,120)
General Sessions Court Clerk	7,624,562	6,651,673	(972,889)
Probate Court Clerk	520,000	497,310	(22,690)
Juvenile Court Clerk	1,450,000	1,240,067	(209,933)
Juvenile Court	225,350	201,239	(24,111)
	19,778,992	18,441,736	(1,337,256)
Other elected officials			
Legislative Operations	5,500	4,846	(654)
Assessor	368,000	300,817	(67,183)
Attorney General	83,008	68,569	(14,439)
County Clerk	8,551,941	8,853,152	301,211
Register	6,153,622	6,610,464	456,842
Trustee	17,918,172	18,321,611	403,439
	33,080,243	34,159,459	1,079,216
Total revenues	308,433,867	311,561,175	3,127,308
Expenditures:			
General government			
Mayor's Office	503,861	477,198	26,663
Public Affairs	663,693	655,203	8,490
Chief Administrative Officer	970,131	943,731	26,400
Office on Health Policy	275,961	275,172	789
Public Defender	6,312,389	6,282,627	29,762
Divorce Referee	379,824	379,187	637
County Attorney	2,731,108	2,713,321	17,787
Director-Administration and Finance	346,423	344,543	1,880
Central Operations	22,596,762	22,584,818	11,944
County Grants	6,118,457	6,103,762	14,695
Personnel	3,050,140	3,015,438	34,702
Purchasing	787,072	783,144	3,928
Information Technology	8,982,457	8,914,302	68,155
Finance	1,677,703	1,661,957	15,746
Board of Equalization	356,960	352,366	4,594
Election Commission	3,534,393	3,496,608	37,785
Jury Commission	707,506	700,768	6,738
	59,994,840	59,684,145	310,695

(continued)

**Budgetary Comparison Schedule-Summary By Department (continued)**  
**For the Year Ended June 30, 2005**

	Final Budget	Actual Amounts	Variance
Planning & development			
Department of Housing	\$ 557,362	\$ 537,304	\$ 20,058
	557,362	537,304	20,058
Public works			
Director and Staff - Public Works	1,076,912	955,930	120,982
County Engineer	2,345,031	2,344,534	497
Emergency Services	1,293,098	1,293,098	---
Soil Conservation	58,617	58,461	156
Weights and Measures	66,049	66,008	41
Shelby Farms	615,252	615,109	143
Agricultural Extension Service	299,341	299,193	148
Conservation Board	731,864	731,780	84
Port Commission	445,897	445,897	---
Security and Investigation	312,859	312,671	188
Support Services	12,174,630	12,158,702	15,928
Archives	356,200	355,965	235
	19,775,750	19,637,348	138,402
Health services			
Director - Health Services	159,791	159,499	292
Forensic Services	2,153,550	2,152,380	1,170
Administration and Finance - Health Services	10,103,696	10,093,081	10,615
Environmental Health Services	4,524,833	4,511,934	12,899
Personal Health Services	10,215,967	10,172,170	43,797
Assessment and Assurance	1,195,183	1,192,369	2,814
	28,353,020	28,281,433	71,587
Community services			
Director - Community Services	201,979	185,433	16,546
Special Funded Projects	573,435	561,450	11,985
Victims Assistance Center	287,049	285,183	1,866
Office on Aging	66,742	66,150	592
Pretrial Services	2,631,281	2,614,506	16,775
	3,760,486	3,712,722	47,764
Law enforcement			
Sheriff	126,693,830	125,490,249	1,203,581
	126,693,830	125,490,249	1,203,581

(continued)

**Budgetary Comparison Schedule-Summary By Department (continued)**  
**For the Year Ended June 30, 2005**

	Final Budget	Actual Amounts	Variance
Judicial			
Chancery Court Judges	\$ 41,224	\$ 40,951	\$ 273
Circuit Court Judges	111,630	111,355	275
Criminal Court Judges	58,099	57,823	276
General Sessions Civil Court Judges	965,428	957,763	7,665
General Sessions Criminal Court Judges	2,469,128	2,421,026	48,102
Probate Court Judges	387,053	387,053	---
Chancery Court Clerk	1,238,001	1,204,687	33,314
Circuit Court Clerk	2,431,104	2,388,929	42,175
Criminal Court Clerk	4,483,351	4,437,822	45,529
General Sessions Court Clerk	6,650,472	6,405,126	245,346
Probate Court Clerk	515,778	515,585	193
Juvenile Court Clerk	3,804,445	3,709,159	95,286
Juvenile Court	12,653,411	12,485,781	167,630
	<u>35,809,124</u>	<u>35,123,060</u>	<u>686,064</u>
Other elected officials			
Legislative Operations	1,537,602	1,438,671	98,931
Equal Opportunity Compliance	712,381	677,718	34,663
Assessor	9,488,855	9,283,200	205,655
Attorney General	5,871,212	5,869,589	1,623
County Clerk	4,278,616	4,104,234	174,382
Register	1,448,442	1,419,698	28,744
Trustee	5,698,866	5,698,866	---
	<u>29,035,974</u>	<u>28,491,976</u>	<u>543,998</u>
Total expenditures	<u>303,980,386</u>	<u>300,958,237</u>	<u>3,022,149</u>
Excess (deficiency) of revenues over expenditures	<u>4,453,481</u>	<u>10,602,938</u>	<u>6,149,457</u>
Other Financing Sources (Uses):			
Transfers in			
Central Operations	5,239,663	5,239,663	---
Personnel	758,221	661,988	(96,233)
Department of Housing	119,000	105,085	(13,915)
Director and Staff - Public Works	35,170	35,170	---
County Engineer	1,562,952	1,562,952	---
Administration and Finance - Health Services	3,038,903	2,719,120	(319,783)
Personal Health Services	1,183,014	930,273	(252,741)
Special Funded Projects	325,000	324,815	(185)
Victims Assistance Center	4,521	---	(4,521)
Juvenile Court	1,383,846	1,383,251	(595)
Total transfers in	<u>13,650,290</u>	<u>12,962,317</u>	<u>(687,973)</u>

(continued)



**Budgetary Comparison Schedule-Summary By Department (continued)**  
**For the Year Ended June 30, 2005**

	Final Budget	Actual Amounts	Variance
Transfers out			
Office on Health Policy	\$ (22,816)	\$ (21,062)	\$ 1,754
Public Defender	(63,922)	(58,595)	5,327
Central Operations	(13,900,000)	(13,899,112)	888
Personnel	(117,417)	(117,417)	---
Department of Housing	(138,000)	(42,241)	95,759
Director and Staff - Public Works	(159,775)	(159,775)	---
Environmental Improvement	(12,595)	(5,000)	7,595
Shelby Farms	(9,028)	---	9,028
Port Commission	(659,151)	(659,151)	---
Support Services	(15,000)	---	15,000
Administration and Finance - Health Services	(616,961)	(468,121)	148,840
Environmental Health Services	(1,452,098)	(1,182,199)	269,899
Personal Health Services	(421,544)	(421,544)	---
Special Funded Projects	(178,250)	(155,654)	22,596
Victims Assistance Center	(78,591)	(71,219)	7,372
Pretrial Services	(54,670)	(34,382)	20,288
Sheriff	(1,000)	---	1,000
General Sessions Criminal Court Judges	(26,183)	(20,239)	5,944
Juvenile Court Clerk	(2,310)	(2,277)	33
Juvenile Court	(151,106)	(126,224)	24,882
Attorney General	(13,771)	(13,771)	---
Total transfers out	(18,094,188)	(17,457,983)	636,205
Other sources/(uses)			
Central Operations	(9,583)	---	9,583
Total other sources/(uses)	(9,583)	---	9,583
Total other financing sources (uses)	(4,453,481)	(4,495,666)	(42,185)
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	\$ ---	\$ 6,107,272	\$ 6,107,272

**General Fund**  
**Mayor's Office**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

---

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 391,091	\$ 334,543	\$ 334,402	\$ 141
Fringe benefits	94,270	76,753	76,714	39
Supplies	67,815	41,515	27,199	14,316
Services	13,550	13,550	10,222	3,328
Professional and contracted services	---	10,500	3,100	7,400
Rent, utilities and maintenance	3,000	18,200	17,451	749
Interdepartmental allocations	---	8,800	8,110	690
Total expenditures	<u>569,726</u>	<u>503,861</u>	<u>477,198</u>	<u>26,663</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (569,726)</u>	<u>\$ (503,861)</u>	<u>\$ (477,198)</u>	<u>\$ 26,663</u>

**General Fund**  
**Public Affairs**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

---

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 509,777	\$ 497,868	\$ 497,798	\$ 70
Fringe benefits	146,896	138,081	138,020	61
Supplies	21,944	21,944	14,205	7,739
Services	5,800	5,800	5,180	620
Total expenditures	<u>684,417</u>	<u>663,693</u>	<u>655,203</u>	<u>8,490</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (684,417)</u>	<u>\$ (663,693)</u>	<u>\$ (655,203)</u>	<u>\$ 8,490</u>

**General Fund**  
**Chief Administrative Officer**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 941,403	\$ 737,719	\$ 737,684	\$ 35
Fringe benefits	224,564	165,066	164,743	323
Supplies	35,395	41,595	26,879	14,716
Services	24,601	25,601	14,425	11,176
Professional and contracted services	20,000	100	---	100
Rent, utilities and maintenance	50	50	---	50
Total expenditures	<u>1,246,013</u>	<u>970,131</u>	<u>943,731</u>	<u>26,400</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (1,246,013)</u>	<u>\$ (970,131)</u>	<u>\$ (943,731)</u>	<u>\$ 26,400</u>

**General Fund**  
**Office on Health Policy**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 207,548	\$ 216,370	\$ 216,270	\$ 100
Fringe benefits	53,556	54,608	54,608	---
Supplies	1,983	1,983	1,562	421
Services	3,000	3,000	2,732	268
Total expenditures	<u>266,087</u>	<u>275,961</u>	<u>275,172</u>	<u>789</u>
 Excess (deficiency) of revenues over expenditures	 <u>(266,087)</u>	 <u>(275,961)</u>	 <u>(275,172)</u>	 <u>789</u>
 Other financing sources (uses):				
Transfers out	<u>(21,060)</u>	<u>(22,816)</u>	<u>(21,062)</u>	<u>1,754</u>
Total other financing sources (uses)	<u>(21,060)</u>	<u>(22,816)</u>	<u>(21,062)</u>	<u>1,754</u>
 Excess (deficiency) of revenues and other sources over expenditures and other uses	 <u>\$ (287,147)</u>	 <u>\$ (298,777)</u>	 <u>\$ (296,234)</u>	 <u>\$ 2,543</u>

**General Fund**  
**Public Defender**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,728,500	\$ 2,728,500	\$ 2,840,400	\$ 111,900
Elected officials' fines and fees	494,050	494,050	205,501	(288,549)
Total revenues	<u>3,222,550</u>	<u>3,222,550</u>	<u>3,045,901</u>	<u>(176,649)</u>
Expenditures:				
Salaries	5,373,241	4,982,593	4,982,400	193
Fringe benefits	1,300,207	1,216,288	1,215,987	301
Supplies	67,000	48,814	40,446	8,368
Services	14,100	14,100	13,487	613
Professional and contracted services	71,000	17,094	13,439	3,655
Rent, utilities and maintenance	19,500	14,500	9,725	4,775
Interdepartmental allocations	---	16,000	7,143	8,857
Asset acquisitions	35,814	3,000	---	3,000
Total expenditures	<u>6,880,862</u>	<u>6,312,389</u>	<u>6,282,627</u>	<u>29,762</u>
Excess (deficiency) of revenues over expenditures	<u>(3,658,312)</u>	<u>(3,089,839)</u>	<u>(3,236,726)</u>	<u>(146,887)</u>
Other financing sources (uses):				
Transfers out	<u>(63,922)</u>	<u>(63,922)</u>	<u>(58,595)</u>	<u>5,327</u>
Total other financing sources (uses)	<u>(63,922)</u>	<u>(63,922)</u>	<u>(58,595)</u>	<u>5,327</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (3,722,234)</u>	<u>\$ (3,153,761)</u>	<u>\$ (3,295,321)</u>	<u>\$ (141,560)</u>

**General Fund**  
**Divorce Referee**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 325,000	\$ 325,000	\$ 329,990	\$ 4,990
Total revenues	<u>325,000</u>	<u>325,000</u>	<u>329,990</u>	<u>4,990</u>
Expenditures:				
Salaries	244,975	284,372	284,288	84
Fringe benefits	97,927	93,752	93,721	31
Supplies	1,700	1,700	1,178	522
Total expenditures	<u>344,602</u>	<u>379,824</u>	<u>379,187</u>	<u>637</u>
Excess (deficiency) of revenues over expenditures	<u>(19,602)</u>	<u>(54,824)</u>	<u>(49,197)</u>	<u>5,627</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (19,602)</u>	<u>\$ (54,824)</u>	<u>\$ (49,197)</u>	<u>\$ 5,627</u>

**General Fund**  
**County Attorney**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 100,000	\$ 100,000	\$ 279,644	\$ 179,644
Total revenues	100,000	100,000	279,644	179,644
Expenditures:				
Salaries	1,789,769	1,853,885	1,853,834	51
Fringe benefits	466,705	477,653	477,622	31
Supplies	48,350	62,350	53,164	9,186
Services	87,600	91,400	90,725	675
Professional and contracted services	366,020	245,220	237,876	7,344
Rent, utilities and maintenance	600	600	100	500
Total expenditures	2,759,044	2,731,108	2,713,321	17,787
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (2,659,044)	\$ (2,631,108)	\$ (2,433,677)	\$ 197,431



**General Fund**  
**Director-Administration and Finance**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 205,899	\$ 277,699	\$ 277,527	\$ 172
Fringe benefits	45,713	62,224	62,096	128
Supplies	4,000	5,200	4,531	669
Services	2,500	1,300	389	911
Total expenditures	<u>258,112</u>	<u>346,423</u>	<u>344,543</u>	<u>1,880</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (258,112)</u>	<u>\$ (346,423)</u>	<u>\$ (344,543)</u>	<u>\$ 1,880</u>

**General Fund**  
**Central Operations**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 210,430,000	\$ 210,430,000	\$ 212,588,811	\$ 2,158,811
Local revenue	3,035,917	3,035,917	2,507,509	(528,408)
State revenue	7,015,000	7,015,000	8,072,895	1,057,895
Elected officials' fines and fees	1,716,000	1,716,000	1,606,525	(109,475)
Other revenue	2,300,000	2,300,000	3,319,253	1,019,253
Total revenues	<u>224,496,917</u>	<u>224,496,917</u>	<u>228,094,993</u>	<u>3,598,076</u>
Expenditures:				
Salaries	(4,184,201)	(2,000,000)	(2,000,000)	---
Fringe benefits	25,496	(162,443)	(162,443)	---
Supplies	250,000	168,000	167,783	217
Services	382,240	487,318	486,941	377
Professional and contracted services	1,658,000	1,265,220	1,258,678	6,542
Rent, utilities and maintenance	600,000	422,000	419,638	2,362
Intergovernmental expenditures	200,000	202,000	201,082	918
Debt service & related cost	2,700,000	1,648,000	1,646,472	1,528
Special funded projects	20,566,667	20,566,667	20,566,667	---
Contingencies and restrictions	(4,720,668)	---	---	---
Total expenditures	<u>17,477,534</u>	<u>22,596,762</u>	<u>22,584,818</u>	<u>11,944</u>
Excess (deficiency) of revenues over expenditures	<u>207,019,383</u>	<u>201,900,155</u>	<u>205,510,175</u>	<u>3,610,020</u>
Other financing sources (uses):				
Transfers in	5,239,663	5,239,663	5,239,663	---
Transfers out	(11,650,000)	(13,900,000)	(13,899,112)	888
Planned change in fund balance	(1,500,000)	(9,583)	---	9,583
Total other financing sources (uses)	<u>(7,910,337)</u>	<u>(8,669,920)</u>	<u>(8,659,449)</u>	<u>10,471</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 199,109,046</u>	<u>\$ 193,230,235</u>	<u>\$ 196,850,726</u>	<u>\$ 3,620,491</u>

**General Fund  
County Grants  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Professional and contracted services	\$ 700,000	\$ 398,957	\$ 391,298	\$ 7,659
Special funded projects	5,248,500	5,248,500	5,241,464	7,036
Grants	456,000	471,000	471,000	---
Total expenditures	<u>6,404,500</u>	<u>6,118,457</u>	<u>6,103,762</u>	<u>14,695</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (6,404,500)</u>	<u>\$ (6,118,457)</u>	<u>\$ (6,103,762)</u>	<u>\$ 14,695</u>

**General Fund**  
**Personnel**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 411,710	\$ 411,710	\$ 425,158	\$ 13,448
Other revenue	157,820	157,820	148,817	(9,003)
Total revenues	<u>569,530</u>	<u>569,530</u>	<u>573,975</u>	<u>4,445</u>
Expenditures:				
Salaries	2,097,718	2,226,188	2,225,903	285
Other compensation	---	12,342	12,333	9
Fringe benefits	595,015	565,530	565,379	151
Supplies	63,175	53,633	44,088	9,545
Services	45,650	54,868	49,039	5,829
Professional and contracted services	64,310	73,579	59,594	13,985
Rent, utilities and maintenance	49,000	42,428	39,932	2,496
Interdepartmental allocations	---	3,900	1,498	2,402
Asset acquisitions	10,000	17,672	17,672	---
Total expenditures	<u>2,924,868</u>	<u>3,050,140</u>	<u>3,015,438</u>	<u>34,702</u>
Excess (deficiency) of revenues over expenditures	<u>(2,355,338)</u>	<u>(2,480,610)</u>	<u>(2,441,463)</u>	<u>39,147</u>
Other financing sources (uses):				
Transfers in	292,045	758,221	661,988	(96,233)
Transfers out	---	(117,417)	(117,417)	---
Total other financing sources (uses)	<u>292,045</u>	<u>640,804</u>	<u>544,571</u>	<u>(96,233)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (2,063,293)</u>	<u>\$ (1,839,806)</u>	<u>\$ (1,896,892)</u>	<u>\$ (57,086)</u>

**General Fund**  
**Purchasing**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ ---	\$ 189	\$ 189
Total revenues	---	---	189	189
Expenditures:				
Salaries	599,988	590,129	590,093	36
Fringe benefits	171,017	153,518	153,409	109
Supplies	25,250	27,138	24,581	2,557
Services	16,675	14,673	13,529	1,144
Professional and contracted services	---	1,200	1,118	82
Rent, utilities and maintenance	1,500	414	414	---
Total expenditures	814,430	787,072	783,144	3,928
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (814,430)	\$ (787,072)	\$ (782,955)	\$ 4,117

**General Fund**  
**Information Technology**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 855,760	\$ 855,760	\$ 1,516,751	\$ 660,991
State revenue	1,200	1,200	---	(1,200)
Federal revenue	1,800	1,800	---	(1,800)
Total revenues	<u>858,760</u>	<u>858,760</u>	<u>1,516,751</u>	<u>657,991</u>
Expenditures:				
Salaries	4,902,725	4,671,228	4,671,045	183
Other compensation	139,249	63,712	63,365	347
Fringe benefits	1,276,372	1,171,088	1,170,893	195
Supplies	590,614	743,162	729,688	13,474
Services	42,601	30,979	29,825	1,154
Professional and contracted services	622,868	492,987	480,050	12,937
Rent, utilities and maintenance	1,569,559	1,519,944	1,507,867	12,077
Interdepartmental allocations	---	9,504	5,933	3,571
Asset acquisitions	274,400	279,853	255,636	24,217
Total expenditures	<u>9,418,388</u>	<u>8,982,457</u>	<u>8,914,302</u>	<u>68,155</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (8,559,628)</u>	<u>\$ (8,123,697)</u>	<u>\$ (7,397,551)</u>	<u>\$ 726,146</u>

**Budgetary Comparison Schedule  
For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 1,383,719	\$ 1,282,939	\$ 1,282,780	\$ 159
Other compensation	15,000	5,700	5,586	114
Fringe benefits	370,851	338,663	338,543	120
Supplies	27,301	27,301	23,892	3,409
Services	4,900	10,550	10,469	81
Professional and contracted services	17,500	11,850	382	11,468
Rent, utilities and maintenance	700	700	305	395
Total expenditures	<u>1,819,971</u>	<u>1,677,703</u>	<u>1,661,957</u>	<u>15,746</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (1,819,971)</u>	<u>\$ (1,677,703)</u>	<u>\$ (1,661,957)</u>	<u>\$ 15,746</u>

**General Fund**  
**Board of Equalization**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 200,000	\$ 200,000	\$ ---	\$ (200,000)
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>---</u>	<u>(200,000)</u>
Expenditures:				
Salaries	257,367	244,043	243,924	119
Fringe benefits	66,824	71,373	71,312	61
Supplies	14,000	15,300	13,963	1,337
Services	64,000	24,700	21,767	2,933
Professional and contracted services	---	1,544	1,400	144
Total expenditures	<u>402,191</u>	<u>356,960</u>	<u>352,366</u>	<u>4,594</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (202,191)</u>	<u>\$ (156,960)</u>	<u>\$ (352,366)</u>	<u>\$ (195,406)</u>



**General Fund**  
**Election Commission**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 39,200	\$ 39,200	\$ 36,964	\$ (2,236)
State revenue	18,000	383,160	293,444	(89,716)
Other revenue	2,200	2,200	1,789	(411)
Total revenues	<u>59,400</u>	<u>424,560</u>	<u>332,197</u>	<u>(92,363)</u>
Expenditures:				
Salaries	1,587,873	1,802,363	1,802,232	131
Other compensation	240,000	199,500	199,332	168
Fringe benefits	319,532	272,232	272,093	139
Supplies	306,856	329,741	324,534	5,207
Services	503,252	473,388	472,980	408
Professional and contracted services	173,178	112,133	106,813	5,320
Rent, utilities and maintenance	351,716	333,836	310,818	23,018
Interdepartmental allocations	---	11,200	7,806	3,394
Asset acquisitions	45,500	---	---	---
Total expenditures	<u>3,527,907</u>	<u>3,534,393</u>	<u>3,496,608</u>	<u>37,785</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (3,468,507)</u>	<u>\$ (3,109,833)</u>	<u>\$ (3,164,411)</u>	<u>\$ (54,578)</u>

**General Fund**  
**Jury Commission**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 184,783	\$ 184,788	\$ 184,788	\$ ---
Fringe benefits	52,357	54,698	54,698	---
Supplies	2,500	2,500	995	1,505
Services	522,700	457,700	456,735	965
Professional and contracted services	7,550	7,550	3,552	3,998
Rent, utilities and maintenance	270	270	---	270
Total expenditures	<u>770,160</u>	<u>707,506</u>	<u>700,768</u>	<u>6,738</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (770,160)</u>	<u>\$ (707,506)</u>	<u>\$ (700,768)</u>	<u>\$ 6,738</u>

**General Fund**  
**Department of Housing**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 5,000	\$ 5,000	\$ 15,883	\$ 10,883
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>15,883</u>	<u>10,883</u>
Expenditures:				
Salaries	443,213	404,263	404,134	129
Other compensation	---	5,771	5,771	---
Fringe benefits	117,235	102,081	101,911	170
Supplies	15,367	12,945	8,263	4,682
Services	12,307	12,307	9,624	2,683
Professional and contracted services	1,077	1,577	1,246	331
Rent, utilities and maintenance	16,496	7,561	2,621	4,940
Interdepartmental allocations	---	10,857	3,734	7,123
Total expenditures	<u>605,695</u>	<u>557,362</u>	<u>537,304</u>	<u>20,058</u>
Excess (deficiency) of revenues over expenditures	<u>(600,695)</u>	<u>(552,362)</u>	<u>(521,421)</u>	<u>30,941</u>
Other financing sources (uses):				
Transfers in	119,000	119,000	105,085	(13,915)
Transfers out	(138,000)	(138,000)	(42,241)	95,759
Total other financing sources (uses)	<u>(19,000)</u>	<u>(19,000)</u>	<u>62,844</u>	<u>81,844</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (619,695)</u>	<u>\$ (571,362)</u>	<u>\$ (458,577)</u>	<u>\$ 112,785</u>

**General Fund**  
**Director and Staff - Public Works**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 908,000	\$ 908,000	\$ 1,136,761	\$ 228,761
Other revenue	15,000	15,000	8,345	(6,655)
Total revenues	<u>923,000</u>	<u>923,000</u>	<u>1,145,106</u>	<u>222,106</u>
Expenditures:				
Salaries	314,658	690,395	595,931	94,464
Other compensation	10,674	5,974	5,919	55
Fringe benefits	155,645	177,281	151,025	26,256
Supplies	17,683	32,851	32,851	---
Services	36,065	40,017	39,810	207
Professional and contracted services	93,129	62,525	62,525	---
Rent, utilities and maintenance	109,039	58,866	58,866	---
Interdepartmental allocations	---	9,003	9,003	---
Asset acquisitions	12,127	---	---	---
Contingencies and restrictions	(212,830)	---	---	---
Total expenditures	<u>536,190</u>	<u>1,076,912</u>	<u>955,930</u>	<u>120,982</u>
Excess (deficiency) of revenues over expenditures	<u>386,810</u>	<u>(153,912)</u>	<u>189,176</u>	<u>343,088</u>
Other financing sources (uses):				
Transfers in	35,170	35,170	35,170	---
Transfers out	(181,010)	(159,775)	(159,775)	---
Total other financing sources (uses)	<u>(145,840)</u>	<u>(124,605)</u>	<u>(124,605)</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 240,970</u>	<u>\$ (278,517)</u>	<u>\$ 64,571</u>	<u>\$ 343,088</u>

**General Fund**  
**County Engineer**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 258,000	\$ 258,000	\$ 204,116	\$ (53,884)
Total revenues	258,000	258,000	204,116	(53,884)
Expenditures:				
Salaries	1,638,475	1,529,987	1,529,851	136
Other compensation	---	5,500	5,484	16
Fringe benefits	448,664	397,573	397,228	345
Supplies	59,050	39,849	39,849	---
Services	10,225	13,375	13,375	---
Professional and contracted services	101,000	152,230	152,230	---
Rent, utilities and maintenance	230,500	126,748	126,748	---
Interdepartmental allocations	---	79,769	79,769	---
Asset acquisitions	38,000	---	---	---
Total expenditures	2,525,914	2,345,031	2,344,534	497
Excess (deficiency) of revenues over expenditures	(2,267,914)	(2,087,031)	(2,140,418)	(53,387)
Other financing sources (uses):				
Transfers in	1,550,000	1,562,952	1,562,952	---
Total other financing sources (uses)	1,550,000	1,562,952	1,562,952	---
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (717,914)	\$ (524,079)	\$ (577,466)	\$ (53,387)

**General Fund**  
**Emergency Services**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 412,000	\$ 412,000	\$ 472,478	\$ 60,478
Total revenues	<u>412,000</u>	<u>412,000</u>	<u>472,478</u>	<u>60,478</u>
Expenditures:				
Professional and contracted services	1,270,111	1,293,098	1,293,098	---
Total expenditures	<u>1,270,111</u>	<u>1,293,098</u>	<u>1,293,098</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (858,111)</u>	<u>\$ (881,098)</u>	<u>\$ (820,620)</u>	<u>\$ 60,478</u>

**General Fund**  
**Environmental Improvement**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Supplies	\$ 5,000	\$ ---	\$ ---	\$ ---
Total expenditures	<u>5,000</u>	<u>---</u>	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues over expenditures	<u>(5,000)</u>	<u>---</u>	<u>---</u>	<u>---</u>
Other financing sources (uses):				
Transfers out	<u>(35,105)</u>	<u>(12,595)</u>	<u>(5,000)</u>	<u>7,595</u>
Total other financing sources (uses)	<u>(35,105)</u>	<u>(12,595)</u>	<u>(5,000)</u>	<u>7,595</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (40,105)</u>	<u>\$ (12,595)</u>	<u>\$ (5,000)</u>	<u>\$ 7,595</u>

**General Fund**  
**Soil Conservation**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 26,497	\$ 40,391	\$ 40,264	\$ 127
Fringe benefits	24,962	15,206	15,177	29
Supplies	2,600	2,034	2,034	---
Services	1,300	511	511	---
Professional and contracted services	3,000	475	475	---
Total expenditures	<u>58,359</u>	<u>58,617</u>	<u>58,461</u>	<u>156</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (58,359)</u>	<u>\$ (58,617)</u>	<u>\$ (58,461)</u>	<u>\$ 156</u>



**General Fund**  
**Weights and Measures**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 49,207	\$ 49,207	\$ 49,200	\$ 7
Fringe benefits	15,874	12,674	12,640	34
Supplies	4,574	141	141	---
Services	1,100	2,290	2,290	---
Professional and contracted services	100	200	200	---
Rent, utilities and maintenance	2,950	---	---	---
Interdepartmental allocations	---	1,537	1,537	---
Total expenditures	<u>73,805</u>	<u>66,049</u>	<u>66,008</u>	<u>41</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (73,805)</u>	<u>\$ (66,049)</u>	<u>\$ (66,008)</u>	<u>\$ 41</u>

**General Fund**  
**Shelby Farms**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 410,000	\$ 410,000	\$ 154,302	\$ (255,698)
Other revenue	---	---	7,261	7,261
Total revenues	<u>410,000</u>	<u>410,000</u>	<u>161,563</u>	<u>(248,437)</u>
Expenditures:				
Salaries	341,165	311,408	311,353	55
Other compensation	10,000	20,300	20,270	30
Fringe benefits	108,466	93,653	93,595	58
Supplies	45,801	13,272	13,272	---
Services	175	---	---	---
Professional and contracted services	8,650	6,207	6,207	---
Rent, utilities and maintenance	171,750	73,642	73,642	---
Interdepartmental allocations	---	36,392	36,392	---
Asset acquisitions	20,000	60,378	60,378	---
Total expenditures	<u>706,007</u>	<u>615,252</u>	<u>615,109</u>	<u>143</u>
Excess (deficiency) of revenues over expenditures	<u>(296,007)</u>	<u>(205,252)</u>	<u>(453,546)</u>	<u>(248,294)</u>
Other financing sources (uses):				
Transfers out	<u>(20,000)</u>	<u>(9,028)</u>	<u>---</u>	<u>9,028</u>
Total other financing sources (uses)	<u>(20,000)</u>	<u>(9,028)</u>	<u>---</u>	<u>9,028</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (316,007)</u>	<u>\$ (214,280)</u>	<u>\$ (453,546)</u>	<u>\$ (239,266)</u>

**General Fund**  
**Agricultural Extension Service**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 229,837	\$ 222,351	\$ 222,286	\$ 65
Fringe benefits	54,193	47,270	47,187	83
Supplies	1,150	842	842	---
Services	---	36	36	---
Professional and contracted services	---	25	25	---
Rent, utilities and maintenance	39,334	28,817	28,817	---
Total expenditures	<u>324,514</u>	<u>299,341</u>	<u>299,193</u>	<u>148</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (324,514)</u>	<u>\$ (299,341)</u>	<u>\$ (299,193)</u>	<u>\$ 148</u>

**General Fund**  
**Conservation Board**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 410,000	\$ 410,000	\$ 339,395	\$ (70,605)
Other revenue	---	---	4,882	4,882
Total revenues	<u>410,000</u>	<u>410,000</u>	<u>344,277</u>	<u>(65,723)</u>
Expenditures:				
Salaries	189,265	134,556	134,495	61
Other compensation	---	5,771	5,771	---
Fringe benefits	38,735	25,914	25,891	23
Supplies	84,236	14,390	14,390	---
Services	8,200	6,499	6,499	---
Professional and contracted services	443,979	265,807	265,807	---
Rent, utilities and maintenance	192,800	228,909	228,909	---
Interdepartmental allocations	---	50,018	50,018	---
Contingencies and restrictions	(536,673)	---	---	---
Total expenditures	<u>420,542</u>	<u>731,864</u>	<u>731,780</u>	<u>84</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (10,542)</u>	<u>\$ (321,864)</u>	<u>\$ (387,503)</u>	<u>\$ (65,639)</u>

**General Fund**  
**Port Commission**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 500,000	\$ 500,000	\$ 696,296	\$ 196,296
Other revenue	---	---	24,325	24,325
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>720,621</u>	<u>220,621</u>
Expenditures:				
Supplies	413,690	445,897	445,897	---
Contingencies and restrictions	(572,841)	---	---	---
Total expenditures	<u>(159,151)</u>	<u>445,897</u>	<u>445,897</u>	<u>---</u>
Excess (deficiency) of revenues over expenditures	<u>659,151</u>	<u>54,103</u>	<u>274,724</u>	<u>220,621</u>
Other financing sources (uses):				
Transfers out	(659,151)	(659,151)	(659,151)	---
Total other financing sources (uses)	<u>(659,151)</u>	<u>(659,151)</u>	<u>(659,151)</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ (605,048)</u>	<u>\$ (384,427)</u>	<u>\$ 220,621</u>

**General Fund**  
**Security and Investigation**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 1,580,821	\$ 232,867	\$ 232,713	\$ 154
Other compensation	69,000	---	---	---
Fringe benefits	466,097	59,018	58,984	34
Supplies	60,900	257	257	---
Services	6,900	---	---	---
Professional and contracted services	1,030,772	180	180	---
Rent, utilities and maintenance	47,000	---	---	---
Interdepartmental allocations	(1,569,513)	837	837	---
Asset acquisitions	---	19,700	19,700	---
Total expenditures	<u>1,691,977</u>	<u>312,859</u>	<u>312,671</u>	<u>188</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (1,691,977)</u>	<u>\$ (312,859)</u>	<u>\$ (312,671)</u>	<u>\$ 188</u>

**General Fund**  
**Support Services**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 1,100,000	\$ 1,100,000	\$ 1,228,760	\$ 128,760
Total revenues	1,100,000	1,100,000	1,228,760	128,760
Expenditures:				
Salaries	4,179,305	4,164,381	4,163,580	801
Other compensation	186,650	23,050	22,783	267
Fringe benefits	1,249,107	1,192,931	1,178,071	14,860
Supplies	321,626	277,792	277,792	---
Services	5,100	142	142	---
Professional and contracted services	1,449,780	1,367,101	1,367,101	---
Rent, utilities and maintenance	5,133,642	4,991,030	4,991,030	---
Interdepartmental allocations	---	66,326	66,326	---
Asset acquisitions	---	91,877	91,877	---
Total expenditures	12,525,210	12,174,630	12,158,702	15,928
Excess (deficiency) of revenues over expenditures	(11,425,210)	(11,074,630)	(10,929,942)	144,688
Other financing sources (uses):				
Transfers out	(15,000)	(15,000)	---	15,000
Total other financing sources (uses)	(15,000)	(15,000)	---	15,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (11,440,210)	\$ (11,089,630)	\$ (10,929,942)	\$ 159,688

**Budgetary Comparison Schedule  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 75,000	\$ 75,000	\$ 86,486	\$ 11,486
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>86,486</u>	<u>11,486</u>
Expenditures:				
Salaries	320,386	280,893	280,769	124
Fringe benefits	95,205	97,905	97,794	111
Supplies	71,552	22,131	22,131	---
Services	8,100	3,764	3,764	---
Professional and contracted services	5,100	3,320	3,320	---
Rent, utilities and maintenance	29,000	7,137	7,137	---
Interdepartmental allocations	(120,000)	(58,950)	(58,950)	---
Total expenditures	<u>409,343</u>	<u>356,200</u>	<u>355,965</u>	<u>235</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (334,343)</u>	<u>\$ (281,200)</u>	<u>\$ (269,479)</u>	<u>\$ 11,721</u>



**General Fund**  
**Director - Health Services**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 138,767	\$ 127,562	\$ 127,411	\$ 151
Other compensation	---	5,771	5,771	---
Fringe benefits	31,287	26,458	26,317	141
Total expenditures	<u>170,054</u>	<u>159,791</u>	<u>159,499</u>	<u>292</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (170,054)</u>	<u>\$ (159,791)</u>	<u>\$ (159,499)</u>	<u>\$ 292</u>

**General Fund**  
**Forensic Services**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 758,400	\$ 758,400	\$ 623,008	\$ (135,392)
Total revenues	<u>758,400</u>	<u>758,400</u>	<u>623,008</u>	<u>(135,392)</u>
Expenditures:				
Supplies	3,244	150	32	118
Services	223	223	---	223
Professional and contracted services	1,976,850	2,019,600	2,018,925	675
Rent, utilities and maintenance	79,977	97,077	97,041	36
Asset acquisitions	---	36,500	36,382	118
Total expenditures	<u>2,060,294</u>	<u>2,153,550</u>	<u>2,152,380</u>	<u>1,170</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (1,301,894)</u>	<u>\$ (1,395,150)</u>	<u>\$ (1,529,372)</u>	<u>\$ (134,222)</u>

**General Fund**  
**Administration and Finance - Health Services**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 11,184,096	\$ 11,184,096	\$ 10,924,730	\$ (259,366)
Patient service revenue	1,000	1,000	67	(933)
Other revenue	1,000	1,000	85,528	84,528
Total revenues	<u>11,186,096</u>	<u>11,186,096</u>	<u>11,010,325</u>	<u>(175,771)</u>
Expenditures:				
Salaries	2,818,549	3,359,641	3,358,781	860
Other compensation	40,400	87,383	86,838	545
Fringe benefits	373,058	412,196	411,389	807
Supplies	89,462	67,628	66,616	1,012
Services	22,108	28,421	28,083	338
Professional and contracted services	6,053,383	6,195,450	6,194,867	583
Rent, utilities and maintenance	444,792	511,772	511,672	100
Interdepartmental allocations	---	(574,882)	(581,164)	6,282
Asset acquisitions	---	16,087	15,999	88
Total expenditures	<u>9,841,752</u>	<u>10,103,696</u>	<u>10,093,081</u>	<u>10,615</u>
Excess (deficiency) of revenues over expenditures	<u>1,344,344</u>	<u>1,082,400</u>	<u>917,244</u>	<u>(165,156)</u>
Other financing sources (uses):				
Transfers in	2,398,781	3,038,903	2,719,120	(319,783)
Transfers out	(282,000)	(616,961)	(468,121)	148,840
Total other financing sources (uses)	<u>2,116,781</u>	<u>2,421,942</u>	<u>2,250,999</u>	<u>(170,943)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 3,461,125</u>	<u>\$ 3,504,342</u>	<u>\$ 3,168,243</u>	<u>\$ (336,099)</u>

**General Fund**  
**Environmental Health Services**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 1,500,378	\$ 880,191	\$ 1,450,082	\$ 569,891
State revenue	1,017,442	1,017,442	523,808	(493,634)
Total revenues	<u>2,517,820</u>	<u>1,897,633</u>	<u>1,973,890</u>	<u>76,257</u>
Expenditures:				
Salaries	3,910,712	3,103,997	3,103,208	789
Other compensation	23,875	39,379	39,090	289
Fringe benefits	1,103,950	870,435	869,665	770
Supplies	193,467	85,096	82,921	2,175
Services	110,655	58,596	57,226	1,370
Professional and contracted services	154,436	149,132	148,983	149
Rent, utilities and maintenance	157,011	95,455	94,972	483
Interdepartmental allocations	---	122,743	115,869	6,874
Asset acquisitions	147,250	---	---	---
Total expenditures	<u>5,801,356</u>	<u>4,524,833</u>	<u>4,511,934</u>	<u>12,899</u>
Excess (deficiency) of revenues over expenditures	<u>(3,283,536)</u>	<u>(2,627,200)</u>	<u>(2,538,044)</u>	<u>89,156</u>
Other financing sources (uses):				
Transfers out	(1,636,986)	(1,452,098)	(1,182,199)	269,899
Planned change in fund balance	422,359	---	---	---
Total other financing sources (uses)	<u>(1,214,627)</u>	<u>(1,452,098)</u>	<u>(1,182,199)</u>	<u>269,899</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (4,498,163)</u>	<u>\$ (4,079,298)</u>	<u>\$ (3,720,243)</u>	<u>\$ 359,055</u>

**General Fund**  
**Personal Health Services**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 1,682,836	\$ 1,682,836	\$ 1,218,118	\$ (464,718)
State revenue	10,000	10,000	---	(10,000)
Patient service revenue	981,750	981,750	497,455	(484,295)
Total revenues	<u>2,674,586</u>	<u>2,674,586</u>	<u>1,715,573</u>	<u>(959,013)</u>
Expenditures:				
Salaries	3,684,252	3,084,139	3,083,395	744
Other compensation	47,960	53,055	52,422	633
Fringe benefits	992,749	764,111	762,367	1,744
Supplies	1,205,188	717,916	687,259	30,657
Services	119,083	45,217	42,972	2,245
Professional and contracted services	5,064,794	4,747,215	4,746,867	348
Rent, utilities and maintenance	889,014	840,114	839,572	542
Interdepartmental allocations	(40,000)	(35,800)	(42,684)	6,884
Asset acquisitions	15,500	---	---	---
Contingencies and restrictions	(524,910)	---	---	---
Total expenditures	<u>11,453,630</u>	<u>10,215,967</u>	<u>10,172,170</u>	<u>43,797</u>
Excess (deficiency) of revenues over expenditures	<u>(8,779,044)</u>	<u>(7,541,381)</u>	<u>(8,456,597)</u>	<u>(915,216)</u>
Other financing sources (uses):				
Transfers in	1,215,514	1,183,014	930,273	(252,741)
Transfers out	(421,544)	(421,544)	(421,544)	---
Total other financing sources (uses)	<u>793,970</u>	<u>761,470</u>	<u>508,729</u>	<u>(252,741)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (7,985,074)</u>	<u>\$ (6,779,911)</u>	<u>\$ (7,947,868)</u>	<u>\$ (1,167,957)</u>

**General Fund**  
**Assessment and Assurance**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 723,225	\$ 723,225	\$ 889,207	\$ 165,982
Total revenues	<u>723,225</u>	<u>723,225</u>	<u>889,207</u>	<u>165,982</u>
Expenditures:				
Salaries	692,811	691,058	690,899	159
Other compensation	16,640	16,794	16,600	194
Fringe benefits	196,382	208,849	208,693	156
Supplies	78,277	54,476	53,566	910
Services	24,473	10,573	10,097	476
Professional and contracted services	122,700	153,100	152,711	389
Rent, utilities and maintenance	86,084	60,333	59,803	530
Asset acquisitions	5,000	---	---	---
Total expenditures	<u>1,222,367</u>	<u>1,195,183</u>	<u>1,192,369</u>	<u>2,814</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (499,142)</u>	<u>\$ (471,958)</u>	<u>\$ (303,162)</u>	<u>\$ 168,796</u>

**General Fund**  
**Director - Community Services**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 175,484	\$ 160,742	\$ 149,870	\$ 10,872
Fringe benefits	43,649	34,298	30,480	3,818
Supplies	2,120	3,580	3,205	375
Services	1,500	3,359	1,878	1,481
Total expenditures	<u>222,753</u>	<u>201,979</u>	<u>185,433</u>	<u>16,546</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (222,753)</u>	<u>\$ (201,979)</u>	<u>\$ (185,433)</u>	<u>\$ 16,546</u>

**General Fund**  
**Special Funded Projects**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ 10,000	\$ ---	\$ (10,000)
Elected officials' fines and fees	40,000	48,375	78,144	29,769
Total revenues	<u>40,000</u>	<u>58,375</u>	<u>78,144</u>	<u>19,769</u>
Expenditures:				
Fringe benefits	4,521	---	---	---
Supplies	---	3,860	1,251	2,609
Services	325,000	325,000	324,815	185
Professional and contracted services	322,800	244,575	235,384	9,191
Total expenditures	<u>652,321</u>	<u>573,435</u>	<u>561,450</u>	<u>11,985</u>
Excess (deficiency) of revenues over expenditures	<u>(612,321)</u>	<u>(515,060)</u>	<u>(483,306)</u>	<u>31,754</u>
Other financing sources (uses):				
Transfers in	325,000	325,000	324,815	(185)
Transfers out	(171,204)	(178,250)	(155,654)	22,596
Total other financing sources (uses)	<u>153,796</u>	<u>146,750</u>	<u>169,161</u>	<u>22,411</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (458,525)</u>	<u>\$ (368,310)</u>	<u>\$ (314,145)</u>	<u>\$ 54,165</u>



**General Fund**  
**Victims Assistance Center**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenue	\$ ---	\$ ---	\$ 2,228	\$ 2,228
Total revenues	---	---	2,228	2,228
Expenditures:				
Salaries	226,864	214,425	213,198	1,227
Fringe benefits	51,222	45,890	45,810	80
Supplies	12,684	10,784	10,332	452
Services	13,450	15,950	15,843	107
Total expenditures	304,220	287,049	285,183	1,866
Excess (deficiency) of revenues over expenditures	(304,220)	(287,049)	(282,955)	4,094
Other financing sources (uses):				
Transfers in	---	4,521	---	(4,521)
Transfers out	(68,292)	(78,591)	(71,219)	7,372
Total other financing sources (uses)	(68,292)	(74,070)	(71,219)	2,851
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (372,512)	\$ (361,119)	\$ (354,174)	\$ 6,945

**General Fund**  
**Office on Aging**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 32,907	\$ 43,800	\$ 43,800	\$ ---
Fringe benefits	17,816	17,816	17,337	479
Supplies	3,326	3,226	3,171	55
Services	---	100	42	58
Rent, utilities and maintenance	1,800	1,800	1,800	---
Total expenditures	<u>55,849</u>	<u>66,742</u>	<u>66,150</u>	<u>592</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (55,849)</u>	<u>\$ (66,742)</u>	<u>\$ (66,150)</u>	<u>\$ 592</u>

**General Fund**  
**Pretrial Services**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 350,000	\$ 350,000	\$ 396,208	\$ 46,208
Total revenues	<u>350,000</u>	<u>350,000</u>	<u>396,208</u>	<u>46,208</u>
Expenditures:				
Salaries	2,159,259	1,991,129	1,987,700	3,429
Other compensation	5,000	5,000	4,785	215
Fringe benefits	651,470	590,758	588,136	2,622
Supplies	27,567	18,900	14,203	4,697
Services	4,250	8,300	5,065	3,235
Professional and contracted services	2,194	2,194	108	2,086
Rent, utilities and maintenance	15,000	15,000	14,509	491
Total expenditures	<u>2,864,740</u>	<u>2,631,281</u>	<u>2,614,506</u>	<u>16,775</u>
Excess (deficiency) of revenues over expenditures	<u>(2,514,740)</u>	<u>(2,281,281)</u>	<u>(2,218,298)</u>	<u>62,983</u>
Other financing sources (uses):				
Transfers out	(13,543)	(54,670)	(34,382)	20,288
Total other financing sources (uses)	<u>(13,543)</u>	<u>(54,670)</u>	<u>(34,382)</u>	<u>20,288</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (2,528,283)</u>	<u>\$ (2,335,951)</u>	<u>\$ (2,252,680)</u>	<u>\$ 83,271</u>

**Budgetary Comparison Schedule  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 690,000	\$ 635,000	\$ 911,479	\$ 276,479
State revenue	1,500,000	1,565,000	1,493,590	(71,410)
Elected officials' fines and fees	1,368,000	1,303,000	1,212,126	(90,874)
Other revenue	78,000	133,000	101,272	(31,728)
Total revenues	<u>3,636,000</u>	<u>3,636,000</u>	<u>3,718,467</u>	<u>82,467</u>
Expenditures:				
Salaries	77,409,121	78,030,651	77,717,487	313,164
Other compensation	6,841,206	6,864,027	6,738,027	126,000
Fringe benefits	25,506,100	23,656,444	23,345,521	310,923
Supplies	5,516,212	5,208,268	5,033,660	174,608
Services	890,053	1,016,438	971,962	44,476
Professional and contracted services	6,271,290	6,918,546	6,842,900	75,646
Rent, utilities and maintenance	4,153,888	3,630,920	3,558,126	72,794
Interdepartmental allocations	---	(681,806)	(728,109)	46,303
Asset acquisitions	2,147,252	2,050,342	2,010,675	39,667
Total expenditures	<u>128,735,122</u>	<u>126,693,830</u>	<u>125,490,249</u>	<u>1,203,581</u>
Excess (deficiency) of revenues over expenditures	<u>(125,099,122)</u>	<u>(123,057,830)</u>	<u>(121,771,782)</u>	<u>1,286,048</u>
Other financing sources (uses):				
Transfers out	(1,000)	(1,000)	---	1,000
Total other financing sources (uses)	<u>(1,000)</u>	<u>(1,000)</u>	<u>---</u>	<u>1,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (125,100,122)</u>	<u>\$ (123,058,830)</u>	<u>\$ (121,771,782)</u>	<u>\$ 1,287,048</u>

**General Fund**  
**Chancery Court Judges**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 44,160	\$ 37,560	\$ 37,422	\$ 138
Fringe benefits	4,064	3,664	3,529	135
Total expenditures	<u>48,224</u>	<u>41,224</u>	<u>40,951</u>	<u>273</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (48,224)</u>	<u>\$ (41,224)</u>	<u>\$ (40,951)</u>	<u>\$ 273</u>

**General Fund**  
**Circuit Court Judges**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 104,967	\$ 101,967	\$ 101,722	\$ 245
Fringe benefits	9,663	9,663	9,633	30
Total expenditures	<u>114,630</u>	<u>111,630</u>	<u>111,355</u>	<u>275</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (114,630)</u>	<u>\$ (111,630)</u>	<u>\$ (111,355)</u>	<u>\$ 275</u>

**General Fund**  
**Criminal Court Judges**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 61,992	\$ 52,992	\$ 52,836	\$ 156
Fringe benefits	5,707	5,107	4,987	120
Total expenditures	<u>67,699</u>	<u>58,099</u>	<u>57,823</u>	<u>276</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (67,699)</u>	<u>\$ (58,099)</u>	<u>\$ (57,823)</u>	<u>\$ 276</u>

**General Fund**  
**General Sessions Civil Court Judges**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ ---	\$ ---	\$ 220,671	\$ 220,671
Total revenues	---	---	220,671	220,671
Expenditures:				
Salaries	762,048	762,048	762,039	9
Fringe benefits	155,162	162,162	161,884	278
Supplies	15,135	15,135	13,996	1,139
Services	19,833	18,233	12,305	5,928
Rent, utilities and maintenance	6,250	7,850	7,539	311
Total expenditures	958,428	965,428	957,763	7,665
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (958,428)	\$ (965,428)	\$ (737,092)	\$ 228,336



**General Fund**  
**General Sessions Criminal Court Judges**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 75,000	\$ 75,000	\$ 45,000	\$ (30,000)
Elected officials' fines and fees	1,175,000	1,175,000	295,548	(879,452)
Total revenues	<u>1,250,000</u>	<u>1,250,000</u>	<u>340,548</u>	<u>(909,452)</u>
Expenditures:				
Salaries	1,755,898	1,739,898	1,739,438	460
Fringe benefits	386,041	377,341	377,086	255
Supplies	51,650	55,050	54,347	703
Services	31,750	28,350	24,570	3,780
Professional and contracted services	249,745	250,289	207,862	42,427
Rent, utilities and maintenance	17,700	18,200	17,723	477
Total expenditures	<u>2,492,784</u>	<u>2,469,128</u>	<u>2,421,026</u>	<u>48,102</u>
Excess (deficiency) of revenues over expenditures	<u>(1,242,784)</u>	<u>(1,219,128)</u>	<u>(2,080,478)</u>	<u>(861,350)</u>
Other financing sources (uses):				
Transfers out	<u>(19,933)</u>	<u>(26,183)</u>	<u>(20,239)</u>	<u>5,944</u>
Total other financing sources (uses)	<u>(19,933)</u>	<u>(26,183)</u>	<u>(20,239)</u>	<u>5,944</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (1,262,717)</u>	<u>\$ (1,245,311)</u>	<u>\$ (2,100,717)</u>	<u>\$ (855,406)</u>

**General Fund**  
**Probate Court Judges**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 293,140	\$ 314,091	\$ 314,091	\$ ---
Fringe benefits	60,277	72,962	72,962	---
Total expenditures	<u>353,417</u>	<u>387,053</u>	<u>387,053</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (353,417)</u>	<u>\$ (387,053)</u>	<u>\$ (387,053)</u>	<u>\$ ---</u>

**General Fund**  
**Chancery Court Clerk**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 2,830,000	\$ 2,830,000	\$ 3,668,637	\$ 838,637
Other revenue	70,000	70,000	105,245	35,245
Total revenues	<u>2,900,000</u>	<u>2,900,000</u>	<u>3,773,882</u>	<u>873,882</u>
Expenditures:				
Salaries	860,511	836,256	835,919	337
Fringe benefits	247,707	223,845	223,676	169
Supplies	50,750	69,586	60,855	8,731
Services	18,450	16,114	13,529	2,585
Professional and contracted services	1,500	1,500	111	1,389
Rent, utilities and maintenance	92,500	90,700	70,597	20,103
Asset acquisitions	16,500	---	---	---
Total expenditures	<u>1,287,918</u>	<u>1,238,001</u>	<u>1,204,687</u>	<u>33,314</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 1,612,082</u>	<u>\$ 1,661,999</u>	<u>\$ 2,569,195</u>	<u>\$ 907,196</u>

**General Fund**  
**Circuit Court Clerk**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 1,705,580	\$ 1,705,580	\$ 1,739,207	\$ 33,627
Other revenue	58,000	58,000	111,759	53,759
Total revenues	<u>1,763,580</u>	<u>1,763,580</u>	<u>1,850,966</u>	<u>87,386</u>
Expenditures:				
Salaries	1,742,811	1,714,415	1,714,309	106
Other compensation	5,771	171	70	101
Fringe benefits	461,786	435,779	435,562	217
Supplies	84,700	104,800	97,193	7,607
Services	24,800	26,425	24,881	1,544
Professional and contracted services	1,100	4,934	4,837	97
Rent, utilities and maintenance	151,804	139,575	112,077	27,498
Asset acquisitions	25,800	5,005	---	5,005
Total expenditures	<u>2,498,572</u>	<u>2,431,104</u>	<u>2,388,929</u>	<u>42,175</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (734,992)</u>	<u>\$ (667,524)</u>	<u>\$ (537,963)</u>	<u>\$ 129,561</u>

**General Fund**  
**Criminal Court Clerk**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 4,032,500	\$ 4,032,500	\$ 3,637,814	\$ (394,686)
Other revenue	13,000	13,000	27,566	14,566
Total revenues	<u>4,045,500</u>	<u>4,045,500</u>	<u>3,665,380</u>	<u>(380,120)</u>
Expenditures:				
Salaries	3,310,667	3,181,801	3,181,689	112
Other compensation	---	1,000	638	362
Fringe benefits	981,225	904,802	904,591	211
Supplies	200,037	190,391	177,982	12,409
Services	47,420	63,787	57,008	6,779
Professional and contracted services	2,900	3,000	1,223	1,777
Rent, utilities and maintenance	125,391	123,391	100,625	22,766
Interdepartmental allocations	---	3,250	2,137	1,113
Asset acquisitions	20,000	11,929	11,929	---
Total expenditures	<u>4,687,640</u>	<u>4,483,351</u>	<u>4,437,822</u>	<u>45,529</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (642,140)</u>	<u>\$ (437,851)</u>	<u>\$ (772,442)</u>	<u>\$ (334,591)</u>

**General Fund**  
**General Sessions Court Clerk**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 7,549,130	\$ 7,549,130	\$ 6,521,426	\$ (1,027,704)
Other revenue	75,432	75,432	130,247	54,815
Total revenues	<u>7,624,562</u>	<u>7,624,562</u>	<u>6,651,673</u>	<u>(972,889)</u>
Expenditures:				
Salaries	4,862,767	4,509,961	4,508,375	1,586
Other compensation	95,372	43,828	31,907	11,921
Fringe benefits	1,404,700	1,302,706	1,301,772	934
Supplies	245,938	257,938	197,726	60,212
Services	256,090	253,090	188,551	64,539
Professional and contracted services	40,500	42,000	34,201	7,799
Rent, utilities and maintenance	227,081	219,776	141,550	78,226
Interdepartmental allocations	---	3,889	1,044	2,845
Asset acquisitions	32,284	17,284	---	17,284
Total expenditures	<u>7,164,732</u>	<u>6,650,472</u>	<u>6,405,126</u>	<u>245,346</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 459,830</u>	<u>\$ 974,090</u>	<u>\$ 246,547</u>	<u>\$ (727,543)</u>

**General Fund**  
**Probate Court Clerk**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 520,000	\$ 520,000	\$ 497,310	\$ (22,690)
Total revenues	520,000	520,000	497,310	(22,690)
Expenditures:				
Salaries	374,427	352,802	352,640	162
Fringe benefits	117,589	103,002	102,971	31
Supplies	31,045	29,337	29,337	---
Services	9,500	11,331	11,331	---
Professional and contracted services	2,500	1,740	1,740	---
Rent, utilities and maintenance	14,500	17,566	17,566	---
Asset acquisitions	2,000	---	---	---
Total expenditures	551,561	515,778	515,585	193
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (31,561)	\$ 4,222	\$ (18,275)	\$ (22,497)

**General Fund**  
**Juvenile Court Clerk**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 550,000	\$ 550,000	\$ 673,895	\$ 123,895
Elected officials' fines and fees	900,000	900,000	566,172	(333,828)
Total revenues	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,240,067</u>	<u>(209,933)</u>
Expenditures:				
Salaries	2,898,876	2,623,654	2,623,129	525
Other compensation	11,500	12,500	11,822	678
Fringe benefits	842,760	759,784	758,924	860
Supplies	155,150	144,840	109,901	34,939
Services	83,750	84,950	65,847	19,103
Professional and contracted services	131,000	122,617	111,397	11,220
Rent, utilities and maintenance	50,500	48,000	21,215	26,785
Interdepartmental allocations	---	8,100	6,924	1,176
Total expenditures	<u>4,173,536</u>	<u>3,804,445</u>	<u>3,709,159</u>	<u>95,286</u>
Excess (deficiency) of revenues over expenditures	<u>(2,723,536)</u>	<u>(2,354,445)</u>	<u>(2,469,092)</u>	<u>(114,647)</u>
Other financing sources (uses):				
Transfers out	---	(2,310)	(2,277)	33
Total other financing sources (uses)	<u>---</u>	<u>(2,310)</u>	<u>(2,277)</u>	<u>33</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (2,723,536)</u>	<u>\$ (2,356,755)</u>	<u>\$ (2,471,369)</u>	<u>\$ (114,614)</u>



**General Fund  
Juvenile Court  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 218,600	\$ 218,600	\$ 196,957	\$ (21,643)
State revenue	100,000	750	---	(750)
Other revenue	6,000	6,000	4,282	(1,718)
Total revenues	<u>324,600</u>	<u>225,350</u>	<u>201,239</u>	<u>(24,111)</u>
Expenditures:				
Salaries	8,144,860	7,858,705	7,858,705	---
Other compensation	25,000	68,354	68,354	---
Fringe benefits	2,354,586	2,185,217	2,185,217	---
Supplies	657,294	607,412	534,861	72,551
Services	65,365	73,065	57,635	15,430
Professional and contracted services	956,456	949,233	928,559	20,674
Rent, utilities and maintenance	788,400	894,425	841,952	52,473
Interdepartmental allocations	---	11,000	10,498	502
Asset acquisitions	---	6,000	---	6,000
Total expenditures	<u>12,991,961</u>	<u>12,653,411</u>	<u>12,485,781</u>	<u>167,630</u>
Excess (deficiency) of revenues over expenditures	<u>(12,667,361)</u>	<u>(12,428,061)</u>	<u>(12,284,542)</u>	<u>143,519</u>
Other financing sources (uses):				
Transfers in	1,284,596	1,383,846	1,383,251	(595)
Transfers out	(91,487)	(151,106)	(126,224)	24,882
Total other financing sources (uses)	<u>1,193,109</u>	<u>1,232,740</u>	<u>1,257,027</u>	<u>24,287</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (11,474,252)</u>	<u>\$ (11,195,321)</u>	<u>\$ (11,027,515)</u>	<u>\$ 167,806</u>

**General Fund**  
**Commissioner's Contingency**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ (3,980,976)	\$ ---	\$ ---	\$ ---
Contingencies and restrictions	372,658	---	---	---
Total expenditures	<u>(3,608,318)</u>	<u>---</u>	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 3,608,318</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**General Fund**  
**Legislative Operations**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 5,500	\$ 5,500	\$ 4,846	\$ (654)
Total revenues	<u>5,500</u>	<u>5,500</u>	<u>4,846</u>	<u>(654)</u>
Expenditures:				
Salaries	733,167	702,632	702,156	476
Other compensation	391,300	313,300	312,629	671
Fringe benefits	223,149	249,813	249,528	285
Supplies	65,650	90,650	71,347	19,303
Services	45,800	35,800	26,089	9,711
Professional and contracted services	100,000	94,307	63,797	30,510
Rent, utilities and maintenance	15,500	15,500	13,125	2,375
Asset acquisitions	50,600	35,600	---	35,600
Total expenditures	<u>1,625,166</u>	<u>1,537,602</u>	<u>1,438,671</u>	<u>98,931</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (1,619,666)</u>	<u>\$ (1,532,102)</u>	<u>\$ (1,433,825)</u>	<u>\$ 98,277</u>

**General Fund**  
**Equal Opportunity Compliance**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 523,241	\$ 516,241	\$ 515,946	\$ 295
Fringe benefits	131,917	126,390	126,253	137
Supplies	23,500	23,500	17,358	6,142
Services	39,950	38,950	15,448	23,502
Rent, utilities and maintenance	4,300	5,300	2,713	2,587
Asset acquisitions	2,000	2,000	---	2,000
Total expenditures	<u>724,908</u>	<u>712,381</u>	<u>677,718</u>	<u>34,663</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (724,908)</u>	<u>\$ (712,381)</u>	<u>\$ (677,718)</u>	<u>\$ 34,663</u>

**Budgetary Comparison Schedule  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 5,000	\$ 5,000	\$ 13,566	\$ 8,566
State revenue	363,000	363,000	287,251	(75,749)
Total revenues	<u>368,000</u>	<u>368,000</u>	<u>300,817</u>	<u>(67,183)</u>
Expenditures:				
Salaries	6,476,731	6,263,317	6,262,873	444
Other compensation	127,700	64,700	64,426	274
Fringe benefits	1,843,689	1,674,662	1,674,071	591
Supplies	193,350	445,550	426,219	19,331
Services	134,501	194,501	144,148	50,353
Professional and contracted services	692,000	533,214	432,423	100,791
Rent, utilities and maintenance	300,000	249,411	219,715	29,696
Interdepartmental allocations	---	4,500	337	4,163
Asset acquisitions	115,000	59,000	58,988	12
Total expenditures	<u>9,882,971</u>	<u>9,488,855</u>	<u>9,283,200</u>	<u>205,655</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (9,514,971)</u>	<u>\$ (9,120,855)</u>	<u>\$ (8,982,383)</u>	<u>\$ 138,472</u>

**General Fund**  
**Attorney General**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 15,500	\$ 15,500	\$ 28,365	\$ 12,865
State revenue	35,041	35,041	28,169	(6,872)
Federal revenue	10,000	32,467	12,035	(20,432)
Total revenues	60,541	83,008	68,569	(14,439)
Expenditures:				
Salaries	4,500,371	4,324,446	4,323,733	713
Other compensation	---	28,000	27,371	629
Fringe benefits	1,162,078	1,136,088	1,135,807	281
Supplies	163,274	158,886	158,886	---
Services	43,125	52,687	52,687	---
Professional and contracted services	36,399	22,046	22,046	---
Rent, utilities and maintenance	135,829	129,298	129,298	---
Interdepartmental allocations	---	19,761	19,761	---
Total expenditures	6,041,076	5,871,212	5,869,589	1,623
Excess (deficiency) of revenues over expenditures	(5,980,535)	(5,788,204)	(5,801,020)	(12,816)
Other financing sources (uses):				
Transfers out	(13,354)	(13,771)	(13,771)	---
Total other financing sources (uses)	(13,354)	(13,771)	(13,771)	---
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (5,993,889)	\$ (5,801,975)	\$ (5,814,791)	\$ (12,816)

**General Fund  
County Clerk  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 8,429,946	\$ 8,429,946	\$ 8,484,184	\$ 54,238
Other revenue	121,995	121,995	368,968	246,973
Total revenues	<u>8,551,941</u>	<u>8,551,941</u>	<u>8,853,152</u>	<u>301,211</u>
Expenditures:				
Salaries	2,865,237	2,764,220	2,763,947	273
Other compensation	26,472	7,172	6,803	369
Fringe benefits	917,724	852,524	852,262	262
Supplies	306,269	296,835	244,762	52,073
Services	169,243	130,743	80,947	49,796
Professional and contracted services	9,500	9,500	6,460	3,040
Rent, utilities and maintenance	177,732	192,021	138,150	53,871
Interdepartmental allocations	---	11,281	10,903	378
Asset acquisitions	18,320	14,320	---	14,320
Contingencies and restrictions	(26,365)	---	---	---
Total expenditures	<u>4,464,132</u>	<u>4,278,616</u>	<u>4,104,234</u>	<u>174,382</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 4,087,809</u>	<u>\$ 4,273,325</u>	<u>\$ 4,748,918</u>	<u>\$ 475,593</u>

**General Fund  
Register  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 6,121,254	\$ 6,121,254	\$ 6,560,978	\$ 439,724
Other revenue	32,368	32,368	49,486	17,118
Total revenues	<u>6,153,622</u>	<u>6,153,622</u>	<u>6,610,464</u>	<u>456,842</u>
Expenditures:				
Salaries	1,048,005	1,029,534	1,029,427	107
Other compensation	31,925	31,425	30,741	684
Fringe benefits	307,316	282,183	281,470	713
Supplies	42,300	47,900	47,701	199
Services	5,050	8,150	6,331	1,819
Professional and contracted services	6,300	5,300	---	5,300
Rent, utilities and maintenance	40,450	40,450	24,028	16,422
Asset acquisitions	11,200	3,500	---	3,500
Total expenditures	<u>1,492,546</u>	<u>1,448,442</u>	<u>1,419,698</u>	<u>28,744</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 4,661,076</u>	<u>\$ 4,705,180</u>	<u>\$ 5,190,766</u>	<u>\$ 485,586</u>



**Budgetary Comparison Schedule  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 70,000	\$ 70,000	\$ 91,351	\$ 21,351
Elected officials' fines and fees	17,708,172	17,808,172	17,746,171	(62,001)
Other revenue	40,000	40,000	484,089	444,089
Total revenues	<u>17,818,172</u>	<u>17,918,172</u>	<u>18,321,611</u>	<u>403,439</u>
Expenditures:				
Salaries	3,075,065	3,148,679	3,148,679	---
Other compensation	40,127	30,626	30,626	---
Fringe benefits	786,218	766,018	766,018	---
Supplies	580,225	630,706	630,706	---
Services	191,039	234,575	234,575	---
Professional and contracted services	361,736	408,069	408,069	---
Rent, utilities and maintenance	283,994	346,800	346,800	---
Interdepartmental allocations	---	1,186	1,186	---
Asset acquisitions	248,066	132,207	132,207	---
Total expenditures	<u>5,566,470</u>	<u>5,698,866</u>	<u>5,698,866</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 12,251,702</u>	<u>\$ 12,219,306</u>	<u>\$ 12,622,745</u>	<u>\$ 403,439</u>

**Grants Fund**

**Budgetary Comparison Schedule-Summary By Type**

**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 13,121,731	\$ 12,878,263	\$ 6,092,890	\$ (6,785,373)
State revenue	57,897,951	79,371,700	51,807,203	(27,564,497)
Federal revenue	32,524,247	36,975,784	26,469,182	(10,506,602)
Patient service revenue	1,791,800	1,791,800	1,514,519	(277,281)
Other revenue	634,838	638,007	493,369	(144,638)
Total revenues	<u>105,970,567</u>	<u>131,655,554</u>	<u>86,377,163</u>	<u>(45,278,391)</u>
Expenditures:				
Salaries	37,807,601	39,514,262	34,072,001	5,442,261
Other compensation	239,865	717,664	549,934	167,730
Fringe benefits	10,278,298	11,819,620	10,036,390	1,783,230
Supplies	3,071,155	11,697,081	4,269,453	7,427,628
Services	7,178,563	8,703,666	3,838,432	4,865,234
Professional and contracted services	41,880,315	41,584,040	25,596,897	15,987,143
Rent, utilities and maintenance	4,775,549	6,210,466	5,368,652	841,814
Interdepartmental allocations	(143,303)	21,064	9,154	11,910
Intergovernmental expenditures	1,000	1,000	---	1,000
Asset acquisitions	510,817	10,707,257	446,449	10,260,808
Contingencies and restrictions	12,553	30,295	---	30,295
Total expenditures	<u>105,612,413</u>	<u>131,006,415</u>	<u>84,187,362</u>	<u>46,819,053</u>
Excess (deficiency) of revenues over expenditures	<u>358,154</u>	<u>649,139</u>	<u>2,189,801</u>	<u>1,540,662</u>
Other Financing Sources (uses):				
Transfers in	4,352,803	4,949,079	3,334,941	(1,614,138)
Transfers out	(5,725,245)	(6,612,506)	(5,383,212)	1,229,294
Planned change in fund balance	1,014,288	1,014,288	---	(1,014,288)
Total other financing sources (uses)	<u>(358,154)</u>	<u>(649,139)</u>	<u>(2,048,271)</u>	<u>(1,399,132)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 141,530</u>	<u>\$ 141,530</u>

**Grants Fund**

**Budgetary Comparison Schedule-Summary By Department**  
**For the Year Ended June 30, 2005**

	Final Budget	Actual Amounts	Variance
Revenues:			
General government			
Personnel	\$ 648,337	\$ 607,480	\$ (40,857)
Finance	185,166	93,836	(91,330)
	<u>833,503</u>	<u>701,316</u>	<u>(132,187)</u>
Planning & development			
Economic and Resource Management	2,047,946	785,753	(1,262,193)
Department of Housing	10,448,320	2,868,261	(7,580,059)
Department of Regional Services	4,590,030	2,118,526	(2,471,504)
	<u>17,086,296</u>	<u>5,772,540</u>	<u>(11,313,756)</u>
Public works			
County Engineer	240,391	240,391	---
Emergency Services	16,531,190	464,595	(16,066,595)
Environmental Improvement	754,735	669,583	(85,152)
Chickasaw Basin Authority	89,407	43,577	(45,830)
Roads and Bridges	243,874	243,299	(575)
	<u>17,859,597</u>	<u>1,661,445</u>	<u>(16,198,152)</u>
Corrections			
Corrections Administration	455,520	371,598	(83,922)
	<u>455,520</u>	<u>371,598</u>	<u>(83,922)</u>
Health services			
Administration and Finance - Health Services	917,800	917,800	---
Environmental Health Services	2,379,106	2,129,213	(249,893)
Personal Health Services	24,104,292	18,238,774	(5,865,518)
Assessment and Assurance	2,229,399	1,024,863	(1,204,536)
	<u>29,630,597</u>	<u>22,310,650</u>	<u>(7,319,947)</u>
Community services			
Community Services Administration	8,997,262	8,600,165	(397,097)
Headstart	25,767,714	22,228,791	(3,538,923)
Special Funded Projects	86,700	85,000	(1,700)
Victims Assistance Center	349,355	289,834	(59,521)
Pretrial Services	296,495	236,879	(59,616)
Aging Commission of the Mid-South	9,026,113	5,512,229	(3,513,884)
	<u>44,523,639</u>	<u>36,952,898</u>	<u>(7,570,741)</u>
Law enforcement			
Sheriff	680,994	516,748	(164,246)
	<u>680,994</u>	<u>516,748</u>	<u>(164,246)</u>

(continued)

## Grants Fund

## Budgetary Comparison Schedule-Summary By Department (continued)

For the Year Ended June 30, 2005

	Final Budget	Actual Amounts	Variance
Judicial			
General Sessions Criminal Court Judges	\$ 313,678	\$ 256,131	\$ (57,547)
Juvenile Court	19,138,469	16,805,872	(2,332,597)
	<u>19,452,147</u>	<u>17,062,003</u>	<u>(2,390,144)</u>
Other elected officials			
Attorney General	1,133,261	1,027,965	(105,296)
	<u>1,133,261</u>	<u>1,027,965</u>	<u>(105,296)</u>
Total revenues	<u>131,655,554</u>	<u>86,377,163</u>	<u>(45,278,391)</u>
Expenditures:			
General government			
Personnel	770,022	734,521	35,501
Finance	185,166	93,836	91,330
	<u>955,188</u>	<u>828,357</u>	<u>126,831</u>
Planning & development			
Economic and Resource Management	1,797,946	535,753	1,262,193
Department of Housing	11,480,108	2,663,887	8,816,221
Department of Regional Services	4,985,490	2,373,198	2,612,292
	<u>18,263,544</u>	<u>5,572,838</u>	<u>12,690,706</u>
Public works			
County Engineer	227,438	227,438	---
Emergency Services	16,531,190	464,595	16,066,595
Environmental Improvement	767,330	674,583	92,747
Chickasaw Basin Authority	54,237	8,407	45,830
Roads and Bridges	243,874	243,299	575
	<u>17,824,069</u>	<u>1,618,322</u>	<u>16,205,747</u>
Corrections			
Corrections Administration	463,630	371,598	92,032
	<u>463,630</u>	<u>371,598</u>	<u>92,032</u>
Health services			
Environmental Health Services	3,440,297	2,930,204	510,093
Personal Health Services	22,976,644	17,291,976	5,684,668
Assessment and Assurance	2,311,750	1,098,150	1,213,600
	<u>28,728,691</u>	<u>21,320,330</u>	<u>7,408,361</u>

(continued)

**Grants Fund**

**Budgetary Comparison Schedule-Summary By Department (continued)**  
**For the Year Ended June 30, 2005**

	Final Budget	Actual Amounts	Variance
Community services			
Community Services Administration	\$ 9,005,938	\$ 8,609,041	\$ 396,897
Headstart	25,767,714	22,228,791	3,538,923
Special Funded Projects	86,700	85,000	1,700
Victims Assistance Center	415,968	361,052	54,916
Pretrial Services	327,821	262,385	65,436
Aging Commission of the Mid-South	9,170,019	5,656,135	3,513,884
	<u>44,774,160</u>	<u>37,202,404</u>	<u>7,571,756</u>
Law enforcement			
Sheriff	756,511	558,562	197,949
	<u>756,511</u>	<u>558,562</u>	<u>197,949</u>
Judicial			
General Sessions Criminal Court Judges	339,861	276,370	63,491
Juvenile Court	17,753,729	15,396,845	2,356,884
	<u>18,093,590</u>	<u>15,673,215</u>	<u>2,420,375</u>
Other elected officials			
Attorney General	1,147,032	1,041,736	105,296
	<u>1,147,032</u>	<u>1,041,736</u>	<u>105,296</u>
Total expenditures	<u>131,006,415</u>	<u>84,187,362</u>	<u>46,819,053</u>
Excess (deficiency) of revenues over expenditures	<u>649,139</u>	<u>2,189,801</u>	<u>1,540,662</u>
Other Financing Sources (Uses):			
Transfers in			
Personnel	136,095	129,165	(6,930)
Department of Housing	384,709	42,241	(342,468)
Department of Regional Services	685,850	410,809	(275,041)
Environmental Improvement	12,595	5,000	(7,595)
Corrections Administration	8,110	---	(8,110)
Environmental Health Services	1,452,098	1,182,199	(269,899)
Personal Health Services	1,036,855	889,665	(147,190)
Assessment and Assurance	101,406	79,657	(21,749)
Community Services Administration	10,418	10,355	(63)
Victims Assistance Center	66,613	71,218	4,605
Pretrial Services	31,326	25,506	(5,820)
Aging Commission of the Mid-South	756,427	287,078	(469,349)
Sheriff	75,517	41,814	(33,703)
General Sessions Criminal Court Judges	26,183	20,239	(5,944)
Juvenile Court	151,106	126,224	(24,882)
Attorney General	13,771	13,771	---
Total transfers in	<u>4,949,079</u>	<u>3,334,941</u>	<u>(1,614,138)</u>

(continued)

**Grants Fund**

**Budgetary Comparison Schedule-Summary By Department (continued)**  
**For the Year Ended June 30, 2005**

	Final Budget	Actual Amounts	Variance
Transfers out			
Personnel	\$ (14,410)	\$ (2,124)	\$ 12,286
Economic and Resource Management	(250,000)	(250,000)	---
Department of Housing	(367,209)	(105,085)	262,124
Department of Regional Services	(290,390)	(156,137)	134,253
County Engineer	(12,953)	(12,953)	---
Chickasaw Basin Authority	(35,170)	(35,170)	---
Administration and Finance - Health Services	(917,800)	(917,800)	---
Environmental Health Services	(390,907)	(381,208)	9,699
Personal Health Services	(2,164,503)	(1,836,463)	328,040
Assessment and Assurance	(19,055)	(6,370)	12,685
Community Services Administration	(1,742)	(1,479)	263
Aging Commission of the Mid-South	(612,521)	(143,172)	469,349
Juvenile Court	(1,535,846)	(1,535,251)	595
Total transfers out	<u>(6,612,506)</u>	<u>(5,383,212)</u>	<u>1,229,294</u>
Planned change in fund balance			
Department of Housing	<u>1,014,288</u>	<u>---</u>	<u>(1,014,288)</u>
Total planned change in fund balance	<u>1,014,288</u>	<u>---</u>	<u>(1,014,288)</u>
Total other financing sources (uses)	<u>(649,139)</u>	<u>(2,048,271)</u>	<u>(1,399,132)</u>
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	<u>\$ ---</u>	<u>\$ 141,530</u>	<u>\$ 141,530</u>

**Grants Fund  
Personnel  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal revenue	\$ ---	\$ 644,337	\$ 590,947	\$ (53,390)
Other revenue	---	4,000	16,533	12,533
Total revenues	---	648,337	607,480	(40,857)
Expenditures:				
Professional and contracted services	---	770,022	734,521	35,501
Total expenditures	---	770,022	734,521	35,501
Excess (deficiency) of revenues over expenditures	---	(121,685)	(127,041)	(5,356)
Other financing sources (uses):				
Transfers in	---	136,095	129,165	(6,930)
Transfers out	---	(14,410)	(2,124)	12,286
Total other financing sources (uses)	---	121,685	127,041	5,356
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Budgetary Comparison Schedule  
For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 185,102	\$ 185,166	\$ 93,836	\$ (91,330)
Total revenues	<u>185,102</u>	<u>185,166</u>	<u>93,836</u>	<u>(91,330)</u>
Expenditures:				
Professional and contracted services	185,102	185,166	93,836	91,330
Total expenditures	<u>185,102</u>	<u>185,166</u>	<u>93,836</u>	<u>91,330</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>



**Grants Fund**  
**Economic and Resource Management**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 2,048,451	\$ 2,047,946	\$ 785,753	\$ (1,262,193)
Total revenues	<u>2,048,451</u>	<u>2,047,946</u>	<u>785,753</u>	<u>(1,262,193)</u>
Expenditures:				
Salaries	332,753	332,753	235,464	97,289
Fringe benefits	75,706	75,706	53,552	22,154
Supplies	24,400	24,400	5,912	18,488
Services	22,500	22,500	5,996	16,504
Professional and contracted services	1,321,592	1,321,592	219,513	1,102,079
Rent, utilities and maintenance	21,500	20,995	15,316	5,679
Total expenditures	<u>1,798,451</u>	<u>1,797,946</u>	<u>535,753</u>	<u>1,262,193</u>
Excess (deficiency) of revenues over expenditures	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>---</u>
Other financing sources (uses):				
Transfers out	(250,000)	(250,000)	(250,000)	---
Total other financing sources (uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund**  
**Department of Housing**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 657,947	\$ 657,947	\$ 322,200	\$ (335,747)
State revenue	2,656,692	2,656,692	24,880	(2,631,812)
Federal revenue	7,063,239	7,133,681	2,422,437	(4,711,244)
Other revenue	---	---	98,744	98,744
Total revenues	<u>10,377,878</u>	<u>10,448,320</u>	<u>2,868,261</u>	<u>(7,580,059)</u>
Expenditures:				
Salaries	404,217	401,954	386,696	15,258
Fringe benefits	123,548	125,811	117,776	8,035
Supplies	27,501	27,995	4,619	23,376
Services	3,908,008	3,908,008	60,454	3,847,554
Professional and contracted services	6,944,638	7,014,586	2,094,342	4,920,244
Rent, utilities and maintenance	1,754	1,754	---	1,754
Total expenditures	<u>11,409,666</u>	<u>11,480,108</u>	<u>2,663,887</u>	<u>8,816,221</u>
Excess (deficiency) of revenues over expenditures	<u>(1,031,788)</u>	<u>(1,031,788)</u>	<u>204,374</u>	<u>1,236,162</u>
Other financing sources (uses):				
Transfers in	382,209	384,709	42,241	(342,468)
Transfers out	(364,709)	(367,209)	(105,085)	262,124
Planned change in fund balance	1,014,288	1,014,288	---	(1,014,288)
Total other financing sources (uses)	<u>1,031,788</u>	<u>1,031,788</u>	<u>(62,844)</u>	<u>(1,094,632)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 141,530</u>	<u>\$ 141,530</u>

**Grants Fund**  
**Department of Regional Services**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 60,000	\$ 60,000	\$ ---	\$ (60,000)
State revenue	4,850,798	4,505,030	2,118,526	(2,386,504)
Federal revenue	---	25,000	---	(25,000)
Total revenues	<u>4,910,798</u>	<u>4,590,030</u>	<u>2,118,526</u>	<u>(2,471,504)</u>
Expenditures:				
Salaries	1,040,906	1,053,310	694,302	359,008
Other compensation	---	3,592	3,592	---
Fringe benefits	266,287	250,291	176,273	74,018
Supplies	86,292	95,358	45,388	49,970
Services	151,400	187,447	62,227	125,220
Professional and contracted services	3,665,334	3,306,153	1,383,771	1,922,382
Rent, utilities and maintenance	39,000	36,300	7,645	28,655
Asset acquisitions	46,500	42,500	---	42,500
Contingencies and restrictions	10,539	10,539	---	10,539
Total expenditures	<u>5,306,258</u>	<u>4,985,490</u>	<u>2,373,198</u>	<u>2,612,292</u>
Excess (deficiency) of revenues over expenditures	<u>(395,460)</u>	<u>(395,460)</u>	<u>(254,672)</u>	<u>140,788</u>
Other financing sources (uses):				
Transfers in	685,850	685,850	410,809	(275,041)
Transfers out	<u>(290,390)</u>	<u>(290,390)</u>	<u>(156,137)</u>	<u>134,253</u>
Total other financing sources (uses)	<u>395,460</u>	<u>395,460</u>	<u>254,672</u>	<u>(140,788)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund**  
**County Engineer**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 156,322	\$ 12,953	\$ (44,069)	\$ (57,022)
State revenue	450,000	227,438	284,460	57,022
Total revenues	<u>606,322</u>	<u>240,391</u>	<u>240,391</u>	<u>---</u>
Expenditures:				
Professional and contracted services	<u>606,322</u>	<u>227,438</u>	<u>227,438</u>	<u>---</u>
Total expenditures	<u>606,322</u>	<u>227,438</u>	<u>227,438</u>	<u>---</u>
Excess (deficiency) of revenues over expenditures	<u>---</u>	<u>12,953</u>	<u>12,953</u>	<u>---</u>
Other financing sources (uses):				
Transfers out	<u>---</u>	<u>(12,953)</u>	<u>(12,953)</u>	<u>---</u>
Total other financing sources (uses)	<u>---</u>	<u>(12,953)</u>	<u>(12,953)</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund**  
**Emergency Services**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 150,000	\$ 16,531,190	\$ 464,595	\$ (16,066,595)
Total revenues	<u>150,000</u>	<u>16,531,190</u>	<u>464,595</u>	<u>(16,066,595)</u>
Expenditures:				
Salaries	45,621	202,124	90,101	112,023
Fringe benefits	12,192	46,583	19,854	26,729
Supplies	71,187	4,817,487	39,034	4,778,453
Services	18,000	267,441	51,842	215,599
Professional and contracted services	---	1,991,939	---	1,991,939
Rent, utilities and maintenance	3,000	3,516	3,511	5
Interdepartmental allocations	---	5,000	(1,680)	6,680
Asset acquisitions	---	9,197,100	261,933	8,935,167
Total expenditures	<u>150,000</u>	<u>16,531,190</u>	<u>464,595</u>	<u>16,066,595</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund**  
**Environmental Improvement**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 72,766	\$ 72,766	\$ 99,328	\$ 26,562
State revenue	568,429	681,969	570,255	(111,714)
Total revenues	<u>641,195</u>	<u>754,735</u>	<u>669,583</u>	<u>(85,152)</u>
Expenditures:				
Salaries	57,686	57,686	57,686	---
Fringe benefits	20,207	20,207	20,207	---
Supplies	2,205	1,652	---	1,652
Professional and contracted services	596,202	687,232	596,690	90,542
Interdepartmental allocations	---	553	---	553
Total expenditures	<u>676,300</u>	<u>767,330</u>	<u>674,583</u>	<u>92,747</u>
Excess (deficiency) of revenues over expenditures	<u>(35,105)</u>	<u>(12,595)</u>	<u>(5,000)</u>	<u>7,595</u>
Other financing sources (uses):				
Transfers in	35,105	12,595	5,000	(7,595)
Total other financing sources (uses)	<u>35,105</u>	<u>12,595</u>	<u>5,000</u>	<u>(7,595)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund**  
**Chickasaw Basin Authority**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenue	\$ 87,772	\$ 89,407	\$ 43,577	\$ (45,830)
Total revenues	<u>87,772</u>	<u>89,407</u>	<u>43,577</u>	<u>(45,830)</u>
Expenditures:				
Supplies	6,810	6,810	3,228	3,582
Services	18,792	20,427	468	19,959
Professional and contracted services	22,000	22,000	4,711	17,289
Rent, utilities and maintenance	<u>5,000</u>	<u>5,000</u>	<u>---</u>	<u>5,000</u>
Total expenditures	<u>52,602</u>	<u>54,237</u>	<u>8,407</u>	<u>45,830</u>
Excess (deficiency) of revenues over expenditures	<u>35,170</u>	<u>35,170</u>	<u>35,170</u>	<u>---</u>
Other financing sources (uses):				
Transfers out	<u>(35,170)</u>	<u>(35,170)</u>	<u>(35,170)</u>	<u>---</u>
Total other financing sources (uses)	<u>(35,170)</u>	<u>(35,170)</u>	<u>(35,170)</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund**  
**Roads and Bridges**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 378,525	\$ 243,874	\$ 243,299	\$ (575)
Total revenues	<u>378,525</u>	<u>243,874</u>	<u>243,299</u>	<u>(575)</u>
Expenditures:				
Salaries	210,069	174,916	174,916	---
Fringe benefits	67,209	54,385	54,385	---
Supplies	34,495	1,347	1,347	---
Services	10,260	1,776	1,774	2
Professional and contracted services	35,912	11,450	10,877	573
Rent, utilities and maintenance	20,580	---	---	---
Total expenditures	<u>378,525</u>	<u>243,874</u>	<u>243,299</u>	<u>575</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>



**Grants Fund**  
**Corrections Administration**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 58,052	\$ 40,556	\$ (17,496)
Federal revenue	373,412	397,468	331,042	(66,426)
Total revenues	373,412	455,520	371,598	(83,922)
Expenditures:				
Salaries	57,380	57,380	57,373	7
Fringe benefits	15,964	15,964	15,766	198
Supplies	15,206	46,875	22,788	24,087
Services	7,500	8,500	3,003	5,497
Professional and contracted services	274,062	311,978	269,670	42,308
Rent, utilities and maintenance	3,300	6,540	2,998	3,542
Asset acquisitions	---	16,393	---	16,393
Total expenditures	373,412	463,630	371,598	92,032
Excess (deficiency) of revenues over expenditures	---	(8,110)	---	8,110
Other financing sources (uses):				
Transfers in	---	8,110	---	(8,110)
Total other financing sources (uses)	---	8,110	---	(8,110)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund**  
**Administration and Finance - Health Services**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

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	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 917,800	\$ 917,800	\$ 917,800	\$ ---
Total revenues	<u>917,800</u>	<u>917,800</u>	<u>917,800</u>	<u>---</u>
Excess (deficiency) of revenues over expenditures	<u>917,800</u>	<u>917,800</u>	<u>917,800</u>	<u>---</u>
Other financing sources (uses):				
Transfers out	<u>(917,800)</u>	<u>(917,800)</u>	<u>(917,800)</u>	<u>---</u>
Total other financing sources (uses)	<u>(917,800)</u>	<u>(917,800)</u>	<u>(917,800)</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund**  
**Environmental Health Services**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ ---	\$ 6,500	\$ 6,500
State revenue	1,159,200	1,480,165	1,446,642	(33,523)
Federal revenue	849,263	898,941	676,071	(222,870)
Total revenues	<u>2,008,463</u>	<u>2,379,106</u>	<u>2,129,213</u>	<u>(249,893)</u>
Expenditures:				
Salaries	1,684,696	1,591,235	1,531,737	59,498
Other compensation	10,895	10,895	1,505	9,390
Fringe benefits	441,675	423,273	396,526	26,747
Supplies	216,138	491,102	399,309	91,793
Services	122,040	108,468	70,500	37,968
Professional and contracted services	122,961	175,765	107,596	68,169
Rent, utilities and maintenance	165,035	334,636	256,210	78,426
Interdepartmental allocations	---	12,750	6,261	6,489
Asset acquisitions	314,000	292,173	160,560	131,613
Total expenditures	<u>3,077,440</u>	<u>3,440,297</u>	<u>2,930,204</u>	<u>510,093</u>
Excess (deficiency) of revenues over expenditures	<u>(1,068,977)</u>	<u>(1,061,191)</u>	<u>(800,991)</u>	<u>260,200</u>
Other financing sources (uses):				
Transfers in	1,452,098	1,452,098	1,182,199	(269,899)
Transfers out	(383,121)	(390,907)	(381,208)	9,699
Total other financing sources (uses)	<u>1,068,977</u>	<u>1,061,191</u>	<u>800,991</u>	<u>(260,200)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund**  
**Personal Health Services**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 7,821,352	\$ 7,831,728	\$ 4,552,861	\$ (3,278,867)
State revenue	11,245,725	12,874,448	11,560,863	(1,313,585)
Federal revenue	1,060,721	1,238,984	449,065	(789,919)
Patient service revenue	1,791,800	1,791,800	1,514,519	(277,281)
Other revenue	400,000	367,332	161,466	(205,866)
Total revenues	<u>22,319,598</u>	<u>24,104,292</u>	<u>18,238,774</u>	<u>(5,865,518)</u>
Expenditures:				
Salaries	14,178,273	14,776,521	11,668,013	3,108,508
Other compensation	150,490	227,496	197,721	29,775
Fringe benefits	4,427,966	4,279,003	3,356,990	922,013
Supplies	1,335,284	1,773,440	981,750	791,690
Services	326,534	531,711	264,915	266,796
Professional and contracted services	494,822	761,927	375,152	386,775
Rent, utilities and maintenance	542,429	600,311	458,649	141,662
Interdepartmental allocations	---	23,650	(11,214)	34,864
Asset acquisitions	2,585	2,585	---	2,585
Total expenditures	<u>21,458,383</u>	<u>22,976,644</u>	<u>17,291,976</u>	<u>5,684,668</u>
Excess (deficiency) of revenues over expenditures	<u>861,215</u>	<u>1,127,648</u>	<u>946,798</u>	<u>(180,850)</u>
Other financing sources (uses):				
Transfers in	705,044	1,036,855	889,665	(147,190)
Transfers out	(1,566,259)	(2,164,503)	(1,836,463)	328,040
Total other financing sources (uses)	<u>(861,215)</u>	<u>(1,127,648)</u>	<u>(946,798)</u>	<u>180,850</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund**  
**Assessment and Assurance**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ 10,000	\$ 4,666	\$ (5,334)
State revenue	999,200	1,236,324	770,414	(465,910)
Federal revenue	299,769	983,075	249,783	(733,292)
Total revenues	<u>1,298,969</u>	<u>2,229,399</u>	<u>1,024,863</u>	<u>(1,204,536)</u>
Expenditures:				
Salaries	289,911	293,118	219,340	73,778
Fringe benefits	65,850	68,438	50,011	18,427
Supplies	22,231	48,543	34,002	14,541
Services	12,289	44,587	14,994	29,593
Professional and contracted services	939,010	1,783,464	726,387	1,057,077
Rent, utilities and maintenance	44,240	67,100	53,416	13,684
Asset acquisitions	6,500	6,500	---	6,500
Total expenditures	<u>1,380,031</u>	<u>2,311,750</u>	<u>1,098,150</u>	<u>1,213,600</u>
Excess (deficiency) of revenues over expenditures	<u>(81,062)</u>	<u>(82,351)</u>	<u>(73,287)</u>	<u>9,064</u>
Other financing sources (uses):				
Transfers in	98,525	101,406	79,657	(21,749)
Transfers out	(17,463)	(19,055)	(6,370)	12,685
Total other financing sources (uses)	<u>81,062</u>	<u>82,351</u>	<u>73,287</u>	<u>(9,064)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund**  
**Community Services Administration**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 69,557	\$ 19,680	\$ ---	\$ (19,680)
State revenue	8,701,263	8,967,432	8,590,015	(377,417)
Other revenue	---	10,150	10,150	---
Total revenues	8,770,820	8,997,262	8,600,165	(397,097)
Expenditures:				
Salaries	1,809,325	1,778,852	1,655,261	123,591
Fringe benefits	567,561	537,380	497,197	40,183
Supplies	152,061	130,771	68,822	61,949
Services	2,039,491	2,701,358	2,589,834	111,524
Professional and contracted services	1,572,669	1,308,599	1,255,069	53,530
Rent, utilities and maintenance	2,762,104	2,653,740	2,592,875	60,865
Interdepartmental allocations	(143,303)	(132,673)	(67,016)	(65,657)
Asset acquisitions	10,912	27,911	16,999	10,912
Total expenditures	8,770,820	9,005,938	8,609,041	396,897
Excess (deficiency) of revenues over expenditures	---	(8,676)	(8,876)	(200)
Other financing sources (uses):				
Transfers in	3,216	10,418	10,355	(63)
Transfers out	(3,216)	(1,742)	(1,479)	263
Total other financing sources (uses)	---	8,676	8,876	200
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund  
Headstart  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 1,731,324	\$ 1,733,321	\$ 1,997
Federal revenue	21,500,000	24,036,390	20,495,470	(3,540,920)
Total revenues	21,500,000	25,767,714	22,228,791	(3,538,923)
Expenditures:				
Salaries	8,723,734	8,976,607	8,976,607	---
Other compensation	---	29,835	29,686	149
Fringe benefits	1,681,950	2,947,360	2,946,891	469
Supplies	666,566	3,216,536	1,909,243	1,307,293
Services	362,774	694,129	581,403	112,726
Professional and contracted services	9,358,536	6,864,648	6,280,976	583,672
Rent, utilities and maintenance	588,120	1,846,633	1,426,802	419,831
Interdepartmental allocations	---	86,950	70,226	16,724
Asset acquisitions	118,320	1,105,016	6,957	1,098,059
Total expenditures	21,500,000	25,767,714	22,228,791	3,538,923
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund**  
**Special Funded Projects**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 61,200	\$ ---	\$ ---	\$ ---
State revenue	86,700	86,700	85,000	(1,700)
Federal revenue	549,661	---	---	---
Total revenues	<u>697,561</u>	<u>86,700</u>	<u>85,000</u>	<u>(1,700)</u>
Expenditures:				
Supplies	884	---	---	---
Services	4,556	---	---	---
Professional and contracted services	726,780	86,700	85,000	1,700
Total expenditures	<u>732,220</u>	<u>86,700</u>	<u>85,000</u>	<u>1,700</u>
Excess (deficiency) of revenues over expenditures	<u>(34,659)</u>	<u>---</u>	<u>---</u>	<u>---</u>
Other financing sources (uses):				
Transfers in	34,659	---	---	---
Total other financing sources (uses)	<u>34,659</u>	<u>---</u>	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>



**Grants Fund**  
**Victims Assistance Center**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 195,755	\$ 195,755	\$ 188,620	\$ (7,135)
Federal revenue	89,495	153,600	101,214	(52,386)
Total revenues	<u>285,250</u>	<u>349,355</u>	<u>289,834</u>	<u>(59,521)</u>
Expenditures:				
Salaries	266,353	271,091	264,763	6,328
Fringe benefits	77,080	79,291	73,868	5,423
Supplies	204	9,423	4,060	5,363
Services	300	12,903	12,361	542
Professional and contracted services	230	37,646	6,000	31,646
Rent, utilities and maintenance	---	3,600	---	3,600
Contingencies and restrictions	2,014	2,014	---	2,014
Total expenditures	<u>346,181</u>	<u>415,968</u>	<u>361,052</u>	<u>54,916</u>
Excess (deficiency) of revenues over expenditures	<u>(60,931)</u>	<u>(66,613)</u>	<u>(71,218)</u>	<u>(4,605)</u>
Other financing sources (uses):				
Transfers in	60,931	66,613	71,218	4,605
Total other financing sources (uses)	<u>60,931</u>	<u>66,613</u>	<u>71,218</u>	<u>4,605</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund**  
**Pretrial Services**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 195,495	\$ 140,054	\$ (55,441)
Federal revenue	101,000	101,000	96,825	(4,175)
Total revenues	101,000	296,495	236,879	(59,616)
Expenditures:				
Salaries	77,075	231,714	199,242	32,472
Fringe benefits	20,904	67,437	57,253	10,184
Supplies	1,021	8,928	5,322	3,606
Services	2,000	1,900	568	1,332
Professional and contracted services	---	100	---	100
Contingencies and restrictions	---	17,742	---	17,742
Total expenditures	101,000	327,821	262,385	65,436
Excess (deficiency) of revenues over expenditures	---	(31,326)	(25,506)	5,820
Other financing sources (uses):				
Transfers in	---	31,326	25,506	(5,820)
Total other financing sources (uses)	---	31,326	25,506	(5,820)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund**  
**Aging Commission of the Mid-South**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 2,011,079	\$ 2,011,079	\$ 215,539	\$ (1,795,540)
State revenue	7,056,967	7,015,034	5,296,690	(1,718,344)
Total revenues	<u>9,068,046</u>	<u>9,026,113</u>	<u>5,512,229</u>	<u>(3,513,884)</u>
Expenditures:				
Salaries	1,902,636	1,891,029	1,038,943	852,086
Other compensation	---	11,607	11,607	---
Fringe benefits	464,896	464,896	279,513	185,383
Supplies	101,559	236,926	95,047	141,879
Services	138,840	115,905	42,514	73,391
Professional and contracted services	6,386,917	6,200,866	4,001,439	2,199,427
Rent, utilities and maintenance	211,104	213,336	181,670	31,666
Interdepartmental allocations	---	17,659	5,402	12,257
Intergovernmental expenditures	1,000	1,000	---	1,000
Asset acquisitions	5,000	16,795	---	16,795
Total expenditures	<u>9,211,952</u>	<u>9,170,019</u>	<u>5,656,135</u>	<u>3,513,884</u>
Excess (deficiency) of revenues over expenditures	<u>(143,906)</u>	<u>(143,906)</u>	<u>(143,906)</u>	<u>---</u>
Other financing sources (uses):				
Transfers in	756,427	756,427	287,078	(469,349)
Transfers out	(612,521)	(612,521)	(143,172)	469,349
Total other financing sources (uses)	<u>143,906</u>	<u>143,906</u>	<u>143,906</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund  
Sheriff  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ 26,135	\$ 26,135	\$ ---
State revenue	---	19,936	---	(19,936)
Federal revenue	164,843	634,923	490,613	(144,310)
Total revenues	164,843	680,994	516,748	(164,246)
Expenditures:				
Salaries	61,369	139,361	135,613	3,748
Other compensation	78,480	413,707	285,971	127,736
Fringe benefits	12,458	35,935	34,391	1,544
Supplies	17,572	136,857	73,018	63,839
Services	1,929	25,775	25,023	752
Professional and contracted services	---	300	254	46
Rent, utilities and maintenance	---	4,292	4,292	---
Asset acquisitions	7,000	284	---	284
Total expenditures	178,808	756,511	558,562	197,949
Excess (deficiency) of revenues over expenditures	(13,965)	(75,517)	(41,814)	33,703
Other financing sources (uses):				
Transfers in	13,965	75,517	41,814	(33,703)
Total other financing sources (uses)	13,965	75,517	41,814	(33,703)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ ---	\$ ---	\$ ---	\$ ---

**Grants Fund**  
**General Sessions Criminal Court Judges**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 163,057	\$ 78,029	\$ 73,977	\$ (4,052)
Federal revenue	179,399	235,649	182,154	(53,495)
Total revenues	<u>342,456</u>	<u>313,678</u>	<u>256,131</u>	<u>(57,547)</u>
Expenditures:				
Professional and contracted services	<u>362,389</u>	<u>339,861</u>	<u>276,370</u>	<u>63,491</u>
Total expenditures	<u>362,389</u>	<u>339,861</u>	<u>276,370</u>	<u>63,491</u>
Excess (deficiency) of revenues over expenditures	<u>(19,933)</u>	<u>(26,183)</u>	<u>(20,239)</u>	<u>5,944</u>
Other financing sources (uses):				
Transfers in	<u>19,933</u>	<u>26,183</u>	<u>20,239</u>	<u>(5,944)</u>
Total other financing sources (uses)	<u>19,933</u>	<u>26,183</u>	<u>20,239</u>	<u>(5,944)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund  
Juvenile Court  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 17,880,538	\$ 19,073,297	\$ 16,756,532	\$ (2,316,765)
Federal revenue	58,031	44,772	44,110	(662)
Other revenue	20,400	20,400	5,230	(15,170)
Total revenues	<u>17,958,969</u>	<u>19,138,469</u>	<u>16,805,872</u>	<u>(2,332,597)</u>
Expenditures:				
Salaries	6,257,122	6,636,776	6,070,653	566,123
Other compensation	---	13,445	13,445	---
Fringe benefits	1,835,924	2,176,435	1,741,727	434,708
Supplies	249,177	576,010	529,973	46,037
Services	21,850	33,523	33,248	275
Professional and contracted services	8,073,767	7,940,520	6,678,171	1,262,349
Rent, utilities and maintenance	328,020	377,020	329,628	47,392
Total expenditures	<u>16,765,860</u>	<u>17,753,729</u>	<u>15,396,845</u>	<u>2,356,884</u>
Excess (deficiency) of revenues over expenditures	<u>1,193,109</u>	<u>1,384,740</u>	<u>1,409,027</u>	<u>24,287</u>
Other financing sources (uses):				
Transfers in	91,487	151,106	126,224	(24,882)
Transfers out	(1,284,596)	(1,535,846)	(1,535,251)	595
Total other financing sources (uses)	<u>(1,193,109)</u>	<u>(1,384,740)</u>	<u>(1,409,027)</u>	<u>(24,287)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund**  
**Attorney General**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ 50,000	\$ 50,000	\$ ---
State revenue	415,257	488,579	480,845	(7,734)
Federal revenue	235,414	447,964	339,451	(108,513)
Other revenue	126,666	146,718	157,669	10,951
Total revenues	<u>777,337</u>	<u>1,133,261</u>	<u>1,027,965</u>	<u>(105,296)</u>
Expenditures:				
Salaries	408,475	647,835	615,291	32,544
Other compensation	---	7,087	6,407	680
Fringe benefits	100,921	151,225	144,210	7,015
Supplies	40,362	46,621	46,591	30
Services	9,500	17,308	17,308	---
Professional and contracted services	191,070	234,088	169,114	64,974
Rent, utilities and maintenance	40,363	35,693	35,640	53
Interdepartmental allocations	---	7,175	7,175	---
Total expenditures	<u>790,691</u>	<u>1,147,032</u>	<u>1,041,736</u>	<u>105,296</u>
Excess (deficiency) of revenues over expenditures	<u>(13,354)</u>	<u>(13,771)</u>	<u>(13,771)</u>	<u>---</u>
Other financing sources (uses):				
Transfers in	<u>13,354</u>	<u>13,771</u>	<u>13,771</u>	<u>---</u>
Total other financing sources (uses)	<u>13,354</u>	<u>13,771</u>	<u>13,771</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

## General Government Expenditures-By Function (a)

## Last Ten Fiscal Years

Fiscal Year	Government (c) (e)	Development (c) (e)	Services (c)	Hospital (d)	Works (c) (d) (e)	Corrections (d)	Health Services
1996	\$ 47,869,422	\$ 4,639,714	\$ 24,467,248	\$ ---	\$ 13,240,732	\$ 36,290,302	\$ 31,137,130
1997	40,552,778	5,247,925	26,720,394	---	16,541,875	37,445,809	32,835,709
1998	37,861,902	6,745,541	28,362,244	---	16,624,504	38,847,538	32,563,099
1999	38,626,942	7,427,303	28,489,861	---	14,330,388	40,336,749	35,936,190
2000	41,436,565	7,224,882	31,605,493	---	13,251,687	41,955,709	38,127,890
2001	63,648,357	5,668,597	---	---	24,797,879	43,803,348	43,137,942
2002	63,763,042	6,295,725	---	22,566,667	15,555,328	948,137	46,778,955
2003	67,839,075	7,081,518	---	22,566,667	15,046,104	937,223	50,403,756
2004	64,587,817	7,003,541	---	22,566,667	20,598,076	790,715	49,965,324
2005	49,398,999	6,110,142	---	20,566,667	29,854,200	371,598	50,395,188

Fiscal Year	Community Services (c)	Law Enforcement (e)	Judicial	Elected Officials	Education (b)	Debt Service	Total
1996	\$ 23,989,986	\$ 58,152,738	\$ 33,820,313	\$ 18,671,807	\$ 96,887,889	\$ 59,093,425	\$ 448,260,706
1997	16,422,972	63,811,629	34,967,508	19,391,679	103,219,352	67,094,810	464,252,440
1998	17,789,648	73,101,092	35,735,045	21,918,075	107,798,229	65,538,510	482,885,427
1999	20,074,946	82,581,009	38,630,653	23,504,739	118,226,270	74,440,591	522,605,641
2000	18,442,864	92,984,379	39,252,137	25,611,144	148,930,842	90,691,122	589,514,714
2001	37,818,138	98,736,137	42,068,173	26,431,595	155,849,170	96,392,082	638,351,418
2002	38,184,799	124,313,403	47,550,875	27,409,270	301,622,626	97,367,068	792,355,895
2003	39,404,929	138,385,312	48,701,932	29,025,383	320,530,670	111,552,970	851,475,539
2004	39,850,995	126,543,491	49,854,301	29,492,482	321,953,079	118,312,085	851,518,573
2005	40,915,126	127,315,702	50,796,275	30,277,134	325,859,655	135,778,881	867,639,567

- (a) Includes general, special revenue, and debt service funds of the primary government.
- (b) Education expenditures are those made to the City of Memphis Board of Education and the County Board of Education. The County Board of Education operations are reported as a discrete component unit. Prior to 2002, payments to the County Board of Education were reported as transfers and are not included in this schedule.
- (c) Several organizational changes were made in 2001. The General Services Division was eliminated. Support Services, Information Technology, Purchasing, and Archives were moved to General Government. The Fire Department and Security and Internal Investigation were moved to Public Works. In addition, the Department of Housing was moved from Community Service to Planning and Development.
- (d) In 2002 the Fire Department, which had been reported in Public Works, and the Corrections Division were reclassified as Enterprise Funds. In addition, payments made to component units are recorded as expenditures. In prior years, these payments were reported as "transfers" and are not included in the amounts for prior years. The Hospital amount is a subsidy to the Shelby County Health Care Corporation.
- (e) Several additional changes were made in 2005. Most of the operations of the Security and Internal Investigation Department were transferred from Public Works to Law Enforcement. In addition, the County began reporting the non-grant activities of Planning and Development, except for Housing, in the Consolidated Codes Enforcement Fund (an enterprise fund): previously, these activities had been reported in the General Fund in the Division of Planning and Development. Support Services and Archives were reclassified from General Government to Public Works.



## General Government Revenues-By Source (a)

## Last Ten Fiscal Years

Fiscal Year	Local Taxes	Local Revenue (b)	State Revenue (b)	Federal Revenue	Patient Service Revenue	Elected Officials' Fees and Fines	Other Revenue	Total
1996	\$ 310,487,333	\$ 22,867,991	\$ 86,771,698	\$ 13,823,538	\$ 5,512,186	\$ 55,024,996	\$ 14,463,589	\$ 508,951,331
1997	333,724,157	26,316,425	82,509,507	14,262,810	4,303,568	45,348,704	14,143,087	520,608,258
1998	349,910,099	26,177,144	85,388,351	16,191,632	3,758,762	47,138,374	21,145,820	549,710,182
1999	385,058,126	46,212,749	100,314,969	19,228,728	2,919,111	45,446,063	10,486,579	609,666,325
2000	472,996,777	46,447,747	99,290,642	20,425,229	467,043	45,931,497	8,155,409	693,714,344
2001	489,927,614	49,027,219	101,276,356	25,877,749	764,939	47,641,570	11,241,860	725,757,307
2002	604,609,455	37,101,233	70,259,167	27,185,094	1,058,773	54,284,328	16,971,962	811,470,012
2003	620,977,188	38,190,862	72,583,287	26,894,944	1,425,748	54,335,743	882,004	815,289,776
2004	664,790,308	41,431,765	76,601,027	25,492,483	2,300,228	56,302,503	2,979,646	869,897,960
2005	672,036,081	36,294,945	82,228,928	26,481,217	2,012,041	56,155,830	6,223,466	881,432,508

(a) Includes general, special revenue, and debt service funds of the primary government.

(b) In 2002 the Fire Department and the Corrections Division were reclassified as Enterprise Funds.

## Property Tax Levies and Collections

## Last Ten Fiscal Years

Fiscal Year	Tax Year	Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Fiscal Years	Total Tax Collections	Percent of Total Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
1996	1995	\$ 271,627,330	\$ 264,078,750	97.22%	\$ 7,374,839	\$ 271,453,589	99.94%	\$ 173,741	0.06%
1997	1996	285,239,370	272,826,625	95.65%	12,160,582	284,987,207	99.91%	252,163	0.09%
1998	1997	295,888,850	287,884,320	97.29%	7,532,928	295,417,248	99.84%	471,602	0.16%
1999	1998	335,566,440	329,543,247	98.21%	5,207,788	334,751,035	99.76%	815,405	0.24%
2000	1999	436,464,617	412,703,834	94.56%	21,260,269	433,964,103	99.43%	2,500,514	0.57%
2001	2000	448,614,194	427,388,176	95.27%	18,335,302	445,723,478	99.36%	2,890,716	0.64%
2002	2001	551,510,523	523,851,896	94.98%	22,186,877	546,038,773	99.01%	5,471,750	0.99%
2003	2002	557,807,850	526,168,220	94.33%	24,519,210	550,687,430	98.72%	7,120,420	1.28%
2004	2003	598,864,458	570,445,227	95.25%	16,315,895	586,761,122	97.98%	12,103,336	2.02%
2005	2004	608,786,018	577,008,988	94.78%	N/A	577,008,988	94.78%	31,777,030	5.22%

## Construction Permits

## Last Ten Fiscal Years

Fiscal Year	Residential (a)		Non-Residential (a)		Total	
	Number Issued	Valuation	Number Issued	Valuation	Number Issued	Valuation
1996	3,739	\$ 504,368,000	243	\$ 221,448,000	3,982	\$ 725,816,000
1997	2,818	481,106,000	294	148,666,000	3,112	629,772,000
1998	3,249	498,104,000	310	295,349,000	3,559	793,453,000
1999	3,340	547,688,000	316	300,075,000	3,656	847,763,000
2000	3,536	699,617,000	282	312,661,000	3,818	1,012,278,000
2001	2,952	562,424,000	298	398,745,000	3,250	961,169,000
2002	2,933	495,182,000	224	164,008,000	3,157	659,190,000
2003	5,869	617,962,241	3,320	488,286,488	9,189	1,106,248,729
2004	8,814	937,235,962	4,103	550,535,705	12,917	1,487,771,667
2005	7,548	853,874,938	4,241	507,365,298	11,789	1,361,240,236

- (a) Prior to 2003 residential data excluded hotels, motels, additions, alterations and conversions. In addition, non-residential data included only commercial non-residential buildings and excluded hazardous storage facilities, churches, garages, carports, educational facilities, swimming pools and other structures not buildings. Comparable data for years prior to 2003 is not available, nor is data for 2003 and later available on the former basis.

## Assessed and Estimated Value of Taxable Property

## Last Ten Fiscal Years

Fiscal Year	Tax Year	Estimated Value	Assessed Value (a)	Ratio of Assessed Value to Estimated Value (%)
1996	1995	\$ 30,097,061,877	\$ 9,210,870,498	30.60%
1997	1996	31,004,448,171	9,221,084,680	29.74%
1998	1997	32,453,638,136	9,500,973,159	29.28%
1999	1998	40,946,345,385	12,449,671,662	30.40%
2000	1999	41,975,150,505	12,778,458,443	30.44%
2001	2000	42,391,918,209	12,811,769,490	30.22%
2002	2001	50,160,658,560	14,964,374,530	29.83%
2003	2002	50,944,337,077	15,233,633,424	29.90%
2004	2003	51,170,258,665	15,190,065,325	29.69%
2005	2004	51,388,472,610	15,156,208,029	29.49%

(a) Assessed value is the most current tax year value prepared by the County Property Assessor as of year-end. The State of Tennessee tax statutes classify property as follows for computing assessed valuations:

Real Estate-Residential and Farms	25% of actual value
Real Estate- Commercial and Industrial	40% of actual value
Personal Property-Commercial and Industrial	30% of actual value
Tennessee Public Service Real and Personal Property	55% of actual value

## Property Tax Rates-Direct and Overlapping Governments

## Last Ten Fiscal Years

Fiscal Year (a)	Tax Year	General Fund	Education (b)	Debt Service Fund	Total (c)	Memphis, Tennessee (d )	Total
1996	1995	\$ 1.31	\$ 1.51	\$ 0.34	\$ 3.16	\$ 3.18	\$ 6.34
1997	1996	1.31	1.51	0.34	3.16	3.18	6.34
1998	1997	1.31	1.51	0.34	3.16	3.18	6.34
1999	1998	1.17	1.35	0.30	2.82	2.77	5.59
2000	1999	1.38	1.65	0.51	3.54	2.77	6.31
2001	2000	1.31	1.69	0.54	3.54	3.37	6.91
2002	2001	1.25	2.03	0.51	3.79	3.23	7.02
2003	2002	1.25	2.03	0.51	3.79	3.23	7.02
2004	2003	1.43	2.03	0.58	4.04	3.23	7.27
2005	2004	1.31	2.03	0.70	4.04	3.23	7.27

- (a) Taxes assessed in one fiscal year are for the benefit of the following fiscal year.
- (b) The portion of property taxes designated for education are allocated between the Shelby County Board of Education and the City of Memphis Board of Education based on average daily attendance. Beginning in 2003 an additional \$0.05 tax rate funds only Rural School Bonds and is applied only to taxpayers living outside the City of Memphis. This additional \$0.05 is not included in this schedule.
- (c) Rates are applied per \$100 of assessed valuation.
- (d) The City of Memphis is considered an overlapping government because approximately three-fourths of the County's population resides in the City of Memphis. There are six other cities in the County which have been excluded from this schedule.

**Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita**

**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Population (in thousands)</u>	<u>Assessed Value (in millions)</u>	<u>Net Bonded Debt (in thousands)</u>	<u>Percentage of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1996	1995	865.2	\$ 9,211	\$ 743,715	8.07%	\$ 859.59
1997	1996	871.5	9,221	725,285	7.87%	832.22
1998	1997	873.5	9,501	893,797	9.41%	1,023.29
1999	1998	865.9	12,450	887,994	7.13%	1,025.52
2000	1999	868.8	12,778	1,033,072	8.08%	1,189.08
2001	2000	897.5	12,812	996,907	7.78%	1,110.79
2002	2001	896.0	14,964	1,106,692	7.40%	1,235.13
2003	2002	903.2	15,234	1,220,172	8.01%	1,350.94
2004	2003	906.2	15,091	1,317,097	8.73%	1,453.43
2005	2004	908.2	15,156	1,537,190	10.14%	1,692.57

**Tax Rate Limitations:**

The ad valorem (real estate and personal property) tax levy is without legal limit. All prior limitations and restrictions, whether restrictive as to total dollar amount or restrictive as to specific uses or a combination of the two, were repealed under paragraph 67-643 of the Property Assessment and Classification Act of 1973 (TCA).

**Ratio of Annual Debt Service Expenditures  
For General Bonded Debt To General Government Expenditures  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Bond Principal</u>	<u>Bond Interest</u>	<u>Total Debt Service</u>	<u>Total General Government Expenditures</u>	<u>to Total General Government Expenditures</u>
1996	\$ 19,815,000	\$ 38,960,105	\$ 58,775,105	\$ 448,260,706	13.11%
1997	21,970,000	42,722,765	64,692,765	464,252,440	13.93%
1998	21,330,000	39,412,139	60,742,139	482,885,427	12.58%
1999	27,390,000	42,490,486	69,880,486	552,605,641	12.65%
2000	36,435,000	49,971,630	86,406,630	589,514,714	14.66%
2001	40,585,000	51,093,014	91,678,014	638,351,418	14.36%
2002	44,125,000	52,606,584	96,731,584	792,355,895	12.21%
2003	49,650,000	61,404,778	111,054,778	851,475,539	13.04%
2004	53,654,138	64,648,910	118,303,048	851,518,573	13.89%
2005	57,560,007	66,695,921	124,299,928	867,639,567	14.33%

## Schedule of Direct and Overlapping Debt

June 30, 2005

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Direct Debt	
Total bonded debt	\$ 1,537,189,948
Less debt service funds	29,241,588
Net direct debt	<u>1,507,948,360</u>
Overlapping Debt	
City of Memphis	901,952,000
City of Germantown	24,913,175
City of Bartlett	20,505,000
City of Collierville	26,170,430
Town of Arlington	105,000
Town of Millington	3,145,900
Total overlapping debt	<u>976,791,505</u>
Total direct and overlapping debt (a)	<u>\$ 2,484,739,865</u>

(a) The County has no legal debt margin.



June 30, 2005

Date of Incorporation	1819
Form of government	Mayor-Commission
Area	783 square miles
Number of municipalities in Shelby County	Seven

## EDUCATION

	<u>Shelby County</u>	<u>City of Memphis</u>
Number of schools	46	191
Employees:		
Professional	3,159	8,527
Support	1,636	7,944
Enrollment	44,847	119,021

In addition, there are 119 private elementary and secondary schools with a total enrollment of 29,558.

## TEN LARGEST TAXPAYERS OF SHELBY COUNTY

Fiscal 2005 Assessments

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Value</u>	<u>% of Total Assessed Value</u>
Federal Express Corporation	Distribution Services	\$ 366,735,073	2.42%
Bellsouth Telecommunications	Communications	182,464,170	1.20%
Belz Enterprises	Commercial Real Estate	83,166,650	0.55%
Wolfchase Galleria LTD PHSP	Retail Marketing	53,899,240	0.36%
Union Planters National Bank	Financial Services	35,762,770	0.24%
Amisub (SFH) Inc.	Health Care	32,889,680	0.22%
Northwest Airlines	Transportation	32,099,591	0.21%
Mid-American Apartment LP	Residential Real Estate	30,535,785	0.20%
First Tennessee Bank	Financial Services	28,294,175	0.19%
Premcor Refining Company	Oil Refining	24,646,770	0.16%
Total Assessed Valuation of Top Ten Taxpayers		870,493,904	5.74%
Balance of Assessed Valuation		14,285,714,125	94.26%
Total Assessed Valuation		<u>\$ 15,156,208,029</u>	<u>100.00%</u>

(continued)

June 30, 2005

## Demographic Statistics

<u>Year</u>	<u>Population (a)</u>	<u>Per Capita Income (f)</u>	<u>School Enrollment (c)</u>
1995	865,918	\$ 25,301	155,519
1996	871,505	26,309	156,420
1997	873,458	27,246	159,538
1998	865,900	28,984	161,726
1999	868,800	29,803	162,370
2000	897,472	30,496	162,348
2001	896,013	31,916	163,169
2002	903,186	33,141	162,926
2003	906,178	34,087	163,897
2004	908,200	(g)	163,868

<u>Year</u>	<u>Unemployment Rate (d)</u>	<u>Demand Deposits, Shelby County Banks (a) (b) (e)</u>	<u>Retail Sales (a) (b)</u>
1995	4.9%	\$ 2,962,627,000	\$ 10,298,000,000
1996	4.4%	3,524,434,000	10,340,655,000
1997	4.7%	3,262,754,000	9,107,000,000
1998	3.8%	5,894,737,000	11,615,000,000
1999	3.8%	4,487,667,000	9,779,952,000
2000	3.9%	5,020,429,000	11,531,574,000
2001	4.2%	6,144,801,000	11,453,758,000
2002	5.3%	7,324,634,000	11,441,954,462
2003	6.4%	7,000,963,601	11,815,261,795
2004	6.2%	7,200,337,000	12,457,752,554

## Sources:

- (a) University of Memphis Bureau of Business and Economic Research
- (b) Memphis and Shelby County Library
- (c) Memphis and Shelby County Boards of Education
- (d) U.S. Department of Labor, Bureau of Labor Statistics; average of monthly rates for the year
- (e) Federal Reserve Bank
- (f) United States Department of Commerce Bureau of Economic Analysis
- (g) Information not available

## Schedule of Salaries and Fidelity Bonds

June 30, 2005

Official	Designation	Salary Amount	Bond Expiration Date	Bond Amount
<b>Mayor and Staff</b>				
A C Wharton, Jr.	Mayor	\$ 150,000	09/01/06	\$ 100,000
John T. Fowlkes, Jr.	Chief Administrative Officer	132,600	09/01/06	100,000
James F. Huntzicker	Director of Administration and Finance	132,592	09/01/06	100,000
Ted C. Fox	Director of Public Works	115,000	09/01/06	100,000
Yvonne Smith Madlock	Director of Health Services	103,896	09/01/06	25,000
Linda C. Rendtorff	Director of Community Services	103,896	09/01/06	25,000
George M. Little	Director of Corrections	103,896	09/01/06	100,000
<b>Court Clerks</b>				
Kenny W. Armstrong	Chancery Court Clerk and Master	99,602	01/01/09	1,060,000
Jimmy Moore	Circuit Court Clerk	99,602	09/01/06	60,000
William R. Key	Criminal Court Clerk	99,602	09/01/06	65,000
William C. Turner	General Sessions Court Clerk	99,602	09/01/08	60,000
Chris R. Thomas	Probate Court Clerk	99,602	09/01/06	60,000
Steve Stamson	Juvenile Court Clerk	99,602	09/01/06	60,000
<b>Others</b>				
Mark H. Luttrell, Jr.	Sheriff	109,562	09/01/06	50,000
Jayne S. Creson	County Clerk	99,602	09/01/06	95,000
Thomas F. Leatherwood	Register	99,602	09/01/06	25,000
Robert D. Patterson, Sr.	Trustee	99,602	09/01/06	18,747,600
Rita Clark	Assessor	99,602	09/01/08	10,000
All Employees	Employee Theft Coverage		09/01/05	900,000 per claim